

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 22, 1933

85 years  
of  
Protection

PROTECTION



SINCE 1848

OHIO FARMERS  
INSURANCE CO. - LEROY, O.





## A NEW SUIT FOR THE LANDLORD

**A**ND just wait until he gets the bill! For the suit we're talking about is a damage suit. The landlord is liable for accidents which happen on his premises as a result of his negligence.

We were thinking about apartment house owners and landlords when we were lining up copy for *The Employers' Pioneer*. So we talked with some of the claim men. The actual claim cases they told us are set forth in the current issue, and should help you when soliciting liability insurance. We talked with the engineering department. Their suggestions for keeping accident hazards at a minimum in apartments, office buildings, etc., should be the kind of information your landlord assured should be glad to get from you.

Also in the current issue are other articles which should be of help to insurance agents and brokers. From the

man in the field came an article giving his ideas as to why accident insurance is needed right now. For those interested in bonding, we find a bit of historical information, plus an outline of the opportunities to sell fidelity and surety bonds. With the vacation season already at hand, typical accident claims from vacationists seem timely information to pass along to the field. You'll find them in this same issue, and we believe that you can make very good use of them.

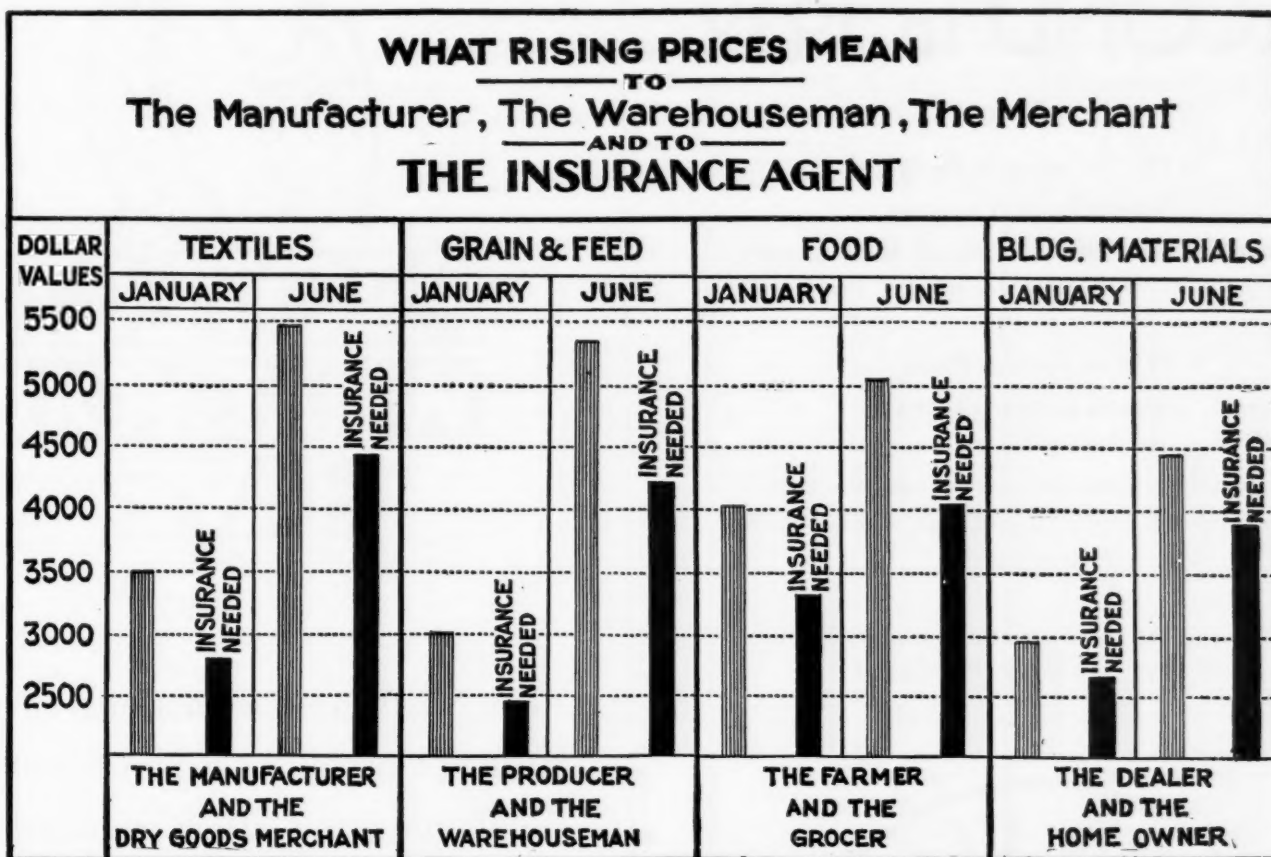
The chances are pretty good that there is something in the June issue of *The Employers' Pioneer* which will be of interest to you and which will help you. Why not read it and find out? We'll be glad to send you a copy. There is no obligation on your part. All you have to do is to write The Publicity Department, 110 Milk Street, Boston, Massachusetts.



**The Employers' Group** *The Employers' Liability Assurance Corp. Ltd. • The Employers' Fire Insurance Co. • American Employers' Insurance Co.* **110 Milk Street, Boston**



## OPPORTUNITY FOR ENTERPRISING AGENTS



During the past three months, commodities have increased 50% to 75% in value, creating a need for over \$500,000,000 additional insurance.

Today, in many cases, replacement costs are one and one half times higher than those in March.

Are you watching the increase in your clients values and providing them with the necessary insurance protection in the sound companies of the America Fore Group?

*Ernest Sturm*

Chairman of the Boards.

PROVED BY THE ACID TEST OF TIME

### The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
 AMERICAN EAGLE FIRE INSURANCE COMPANY  
 FIDELITY-PHENIX FIRE INSURANCE COMPANY  
 FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



### of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
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 THE FIDELITY AND CASUALTY COMPANY  
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*New York, N.Y.*

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ATLANTA DALLAS MONTREAL



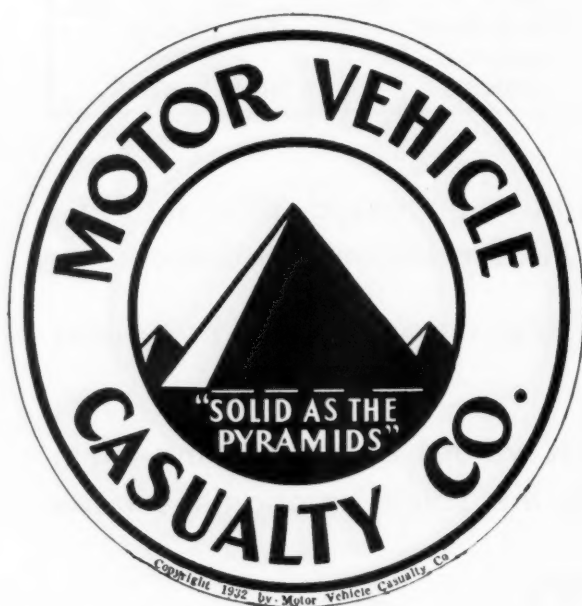
## FOURTH in 1931 SECOND in 1932

▼  
In 1931 we wrote in Illinois the  
fourth largest volume  
of automobile insurance among all stock casualty  
companies.

In 1932 we wrote in Illinois the  
second largest volume.

For eighteen years our business has been con-  
ducted on the basis of just plain old-fashioned  
honesty.

Inquiries from reputable brokers  
and agents in Illinois are solicited.



### Home Office

223 W. Jackson Blvd., Chicago, Illinois  
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organ-  
ized in 1914 as Motor Vehicle Underwriters, changed to  
Motor Vehicle Casualty Company in 1930.



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The North America national adver-  
tising points out an economic fallacy  
—"if you can't afford a premium,  
you can't afford a loss". The  
Company's enviable financial  
position is making the public more  
than ever North America conscious.

*See the North America full  
page advertisement in The  
Literary Digest, June 17th.*

**Insurance Company of  
North America  
PHILADELPHIA**

*and its affiliated companies write practically every  
form of insurance except life.*



# The National Underwriter

Thirty-Seventh Year—No. 25

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 22, 1933

\$4.00 Per Year, 20 Cents a Copy

## Insurance Studies U. S. Recovery Act

Business in the Dark as to  
How It Will Be  
Affected

### DEVELOPMENTS WATCHED

Fear Expressed That U. S. May Extend  
Its Interest in Insurance and  
Enter Underwriting Field

By GEORGE A. WATSON

NEW YORK, June 21.—To what extent insurance interests will be affected through the application of the national industrial recovery act, which has for its primary purpose "putting people back to work," to quote President Roosevelt, and to regulate trade practices so as to prevent unfair treatment either of employes or of the buying public, remains to be seen.

J. A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, in a recent address in Boston, voiced the following views in part as to the effect the new legislation would have upon casualty interests: "If the plan operates, as it is expected that it will, to place business generally on a sound basis, so that profits may again be expected, the insurance business will gain. Insurance is the stabilizing factor in all business. This law will be important to the insurance business as an expression of national policy which will be considered by state legislative and supervisory bodies in regulating the business of insurance. It is thought, also, that the principle of forcing cooperation between units in industry and trade generally under the act will undoubtedly be a factor in influencing the non-cooperating insurance companies in the direction of greater cooperation."

#### Insurance Seeks Uniformity

The purposes that induced the formation of the associated bodies both in the fire and in the casualty fields are in strict keeping with the intent of the new national act, in that their function is to attain in so far as may be possible, cooperation as to rate charges, commission payments and uniformity of field practice. Not alone self-interest but the laws of numerous states specifically provide that rates charged for insurance shall be "adequate, reasonable and non-discriminatory." Rates must be adequate to guarantee fulfillment of contractual obligations; permit of but reasonable loading for expenses and profit, and be uniform in their application to the public. The National Board, Insurance Executives Association and other organizations of fire companies seek constantly to induce uniformity of practice among their members, in so far as this may be done with-

(CONTINUED ON PAGE 19)

## Big City Agents Placing Much Unprotected Business

### COMPANIES ARE CONCERNED

Such Lines Show Higher Loss Ratio  
Than Those Submitted by Local  
Producers

To an increasing extent, unprotected business is being routed to companies through agents and brokers in the larger centers. Companies that have detected this tendency are concerned about it because the loss ratio on unprotected business through agencies in the larger towns is nearly always sharply higher than that on unprotected business placed through agents in the immediate locality.

Particularly is business of local merchants in small unprotected localities going to agents and brokers in the larger places. Proprietors of these stores very often have difficulty in getting their insurance placed locally, because of the restrictions that have been placed about unprotected business by so many companies. Furthermore, many companies have flatly canceled out of many such territories and are scrutinizing and analyzing their unprotected business, prepared to use the ax wherever such a course is indicated.

#### Big City Contacts

The theory is that the proprietors of stores in unprotected localities discuss with those persons from whom they buy their stocks the fact that they can't get insurance locally. The representatives of these firms then volunteer to help the local merchant by getting the insurance through agents or brokers in the larger centers. For the most part this business is placed with agents in larger towns in the general neighborhood, but sometimes it goes to offices in New York or Chicago, hundreds of miles from the insured premises.

As an example of the circumstances that make it difficult for many merchants in small places to get insurance is the analysis that is being made by one company of its field. A map of the country has been prepared, showing the relative increase in population by counties throughout the country. On the map, the counties are colored in different shades to show the relative increases or decreases. These maps are made available to underwriters, with instructions to bear down heavily where decreases are shown and where the increases are negligible. The theory is that property in counties, which are showing a decrease in population or a subnormal increase, is likely to be in distress or in the course of time will become a burden to the owner.

#### Increase Bond in Hawaii

SAN FRANCISCO, June 21.—According to announcement by the Hawaiian Supervisory Committee, companies doing business in that territory must file a \$20,000 bond with the insurance commissioner by July 1 to conform with a new requirement approved by Governor Judd June 1 and effective immediately. Formerly the bond requirements were \$2,500.

## Cooperation Necessary in Matter of Marine Definition

### VAN SCHAIK IN STATEMENT

New York Superintendent Approves  
Commissioners' Action, Favor Self-  
Regulation by Companies

NEW YORK, June 21.—Successful administration and supervision of the standard definition of marine underwriting powers by the insurance business will constitute substantial progress in the matter of self-regulation, with the necessity for only general overseeing by state supervisory officials, was the opinion expressed by Superintendent Van Schaick of New York in making public this week the department's approval of the nationwide definition adopted at Chicago.

"The adoption by the National Convention of Insurance Commissioners of a standard basis of interpretation for the uniform marine insurance law approved by that convention in 1923 should serve to eliminate the considerable confusion that has developed during the intervening years concerning the meaning of the act," Mr. Van Schaick said.

#### Cooperation Is Necessary

"The cooperation of fire, marine and casualty underwriters is necessary, however, if most beneficial results are to be attained. It is gratifying that these underwriters are preparing to embark upon a joint program of supervision of underwriting practices designed to carry out the spirit and meaning of the definition adopted by the convention.

"An interpretive note to which they have agreed is collateral to the new ruling. This provides that the rating of fire hazards on certain merchandise in storage may be determinative of the risk classification. Where the fire insurance premium equals or exceeds the marine charge the risk will be considered ineligible for marine rating."

## I. M. U. A. Outlaws Plan to Nullify New Truckman Rule

The Inland Marine Underwriters Association has outlawed a procedure, introduced by some companies in an attempt to meet the letter while evading the spirit of the new motor truck and cargo rules which become effective July 1.

The now outlawed practice is to issue for \$1 to shippers a companion policy of the contract held by the truckman, the companion policy to be continued in force so long as the truckman's contract is in force. The insurer agrees to inform the shipper when there is any change in the truckman's policy.

The I. M. U. A. regards this practice as nullifying the purpose of the new rules and has informed companies that those who continue to follow this course will be cited before the grievance committee. Under the new rules the shippers may have a copy of the truckman's policy, but for information only and no notice need be given the shipper nor is any coverage given.

## Connecticut Rally Proves Optimistic

President Hatch of Agents' Association Points Out Signs of  
Returning Prosperity

### VITAL SUBJECTS DISCUSSED

Commissioner Dunham Finds Public  
Confidence in Insurance Unimpaired,  
Credits Men in Field

By RALPH E. RICHMAN

NORWICH, CONN., June 21.—Signs of returning prosperity were spotted by several speakers at the mid-summer meeting of the Connecticut Association of Insurance Agents held here. President H. W. Hatch, New Britain, sounded this cheerful note in his official review.

H. P. Smith, manager of the Factory Insurance Association, reported a definite business improvement in the last six weeks. Factory reopenings are resulting in more insurance.

About 125 agents were present when President Hatch opened the meeting. He stated that increased premium volume for New England agents must come largely from casualty and allied fire lines.

#### Urges Paying Balances Quickly

Building construction in New England may come back only where single family houses are needed, he predicted, since other kinds of buildings are amply provided for some time to come. Legislatively, Connecticut insurance has fared well this session. He urged use of companies which do not maintain branch offices and said agents should make prompt balance settlements with their companies.

Arthur Bradshaw, Bridgeport, secretary-treasurer, announced 298 paid membership and a comfortable balance in the treasury with all bills paid.

#### Paid Secretaries Desirable

Strong state associations can be built and maintained only by full time paid secretaries or officials who give much time to that work, said G. W. Scott, assistant secretary National Association of Insurance Agents. He cited California, Pennsylvania, Texas, North Carolina, Louisiana, Arkansas and Mississippi as states operating with paid secretaries where unusually careful attention is given to membership and legislative activities.

Florida, Arizona and Kansas were named as states where alert members keep associations strong and healthy, if not in numbers, at least in effectiveness. Mr. Scott urged reading and use of S. J. Horton's leaflet on the value of agency organization.

Commissioner Dunham, who is just completing ten years' service in this position

(CONTINUED ON PAGE 6)



## Mississippi Agents Hold Convention at Hattiesburg

QUAID, GANDY ARE SPEAKERS

Wheeler and Pickett Talk on Rating, Underwriting Situation There—Louisiana Men Present

By WILLIAM THORNTON

HATTIESBURG, MISS., June 21.—At the annual meeting of the Mississippi Association of Insurance Agents John R. Tally, prosecuting attorney, welcomed the association on behalf of the city, and P. L. Gaston on behalf of the Hattiesburg agents. L. T. Wheeler, manager Mississippi State Rating Bureau, said that while the depression had brought about a decrease in values and consequently a decline in premiums, causing the agents to lose volume of commissions, the recent increase in rates had partly offset this. The rate increase had also stopped companies from withdrawing from the state, and agents no longer fear a lack of facilities. Shelby Pickett, vice-chairman Mississippi insurance commission, speaking for that organization, urged on the agents the necessity for more careful underwriting.

### Quaid Says Expense Is Justified

William Quaid, vice-president Home of New York, said that heretofore the companies and agents had been apologetic for the expense portion of the premium dollar. He believes the expense of conducting the business, including the agent's commission, is fully justified. If premiums are to be reduced, the loss ratio must fall.

Commissioner G. D. Riley said that on assuming office 17 months ago he felt the public needed educating. Evidently Mr. Riley does not believe in sparing the rod in educating the child. A significant part of his educational program has been in stopping arson. Up to the present time, with the co-operation of the National Board, his office has obtained 18 convictions for arson.

C. L. Gandy, president National Association of Insurance Agents, Birmingham, brought greetings from the parent organization. While believing that the net portion of the premium should be handled by agents as a trust fund, he also believes the companies should be compelled to treat their unearned premium and loss reserves as trust funds and that legislation looking to the enforcement of this should be enacted. Mr. Gandy reiterated a statement made in Corpus Christi, Tex. two weeks ago, in which he declared that it was immoral and unfair for local agents to return to assureds unearned premiums in bankrupt companies. Again he urged the abolition of branch offices and the twin evil of overhead writing.

### Adopt Salaried Manager

James E. Hassinger, president Louisiana Insurance Society, delivered a highly instructive address on "Stock vs. Non-Stock Insurance." Mr. Hassinger said that agents should not wait until they were threatened with the loss of lines before waging war on non-stock competitors. Their attitude should be aggressive rather than defensive.

Other members of the Louisiana Society present were Capt. E. L. Kidd and William Rodriguez, past president; Matt G. Smith, national councillor, and Charles Gould, president New Orleans Insurance Exchange.

A change was made in the by-laws, under which the association will adopt the salaried manager plan. It is regarded as a foregone conclusion that John Sharp Williams III, Yazoo City, will be named secretary-manager, which post he has been holding since January, when the association tentatively created this position. In his report to the association Mr. Williams expressed the opinion that the far reaching United

## Virginia Chief



W. O. WILSON, Richmond, Va.

W. O. Wilson, well known local agent at Richmond, Va., president Virginia Association of Insurance Agents, is at the helm this week as the annual meeting is being held at Charlottesville. Mr. Wilson is vice-president of the Davenport Insurance Corporation of Richmond, the agency firm.

States government reorganization law would force every insurance agent in the United States to become a member of a trade organization, and he recommends to the Mississippi association consideration of this possibility.

### Deal Nears Completion

Negotiations looking to the purchase of the interest in the State of Pennsylvania now held by the Globe & Rutgers, which have been prosecuted by Gustav Remak, president of the former company, for some weeks, are reported to have progressed to such point that formal announcement of the completion of the deal will be announced within a few days.

## Bank Agency Bill's Defeat Is Laid to Small Bankers

OPPOSITION WAS POWERFUL

State Banking Associations of Massachusetts, Kentucky, Minnesota Fought Measure Urged by W. H. Bennett

NEW YORK, June 21.—Opposition to the insurance agency measure in the Glass-Steagall banking bill, which was omitted at the last minute before the bill was passed, came from many banks in smaller communities and from the state banking associations of Massachusetts, Minnesota and Kentucky. Bankers contended that small town banks are oftentimes the only source from which property owners can secure reliable insurance and to bar them from handling the business would be a hardship to the public. The Massachusetts opposition was due to the savings bank-life insurance situation in that state.

The opposition to the measure probably could have been reconciled by a modification which Walter H. Bennett, secretary of the National Association of Insurance Agents, was prepared to offer restricting the prohibition against banks conducting insurance businesses in communities of over 5,000 population. But Congress was anxious to pass the law before adjournment and so a number of the controversial features of the bill, including the insurance agency provision, were excluded.

### Existing Law Compared

Under the existing banking law national banks in cities of more than 5,000 population may not engage in the insurance business. Under the Glass-Steagall bill, the provision would have applied to members of the federal reserve system, which is to be expanded by the application for membership by many banks not now in the organization. In addition the provision sponsored by Mr. Bennett would have prohibited employees, directors or officers of federal reserve members as well as the banks themselves from engaging in insurance.

The opposition of the American Bankers Association to the deposit

## Say Fire Companies Bureau Is Not Trust or Conspiracy

RICHMOND, VA., June 21.—The Virginia supreme court in the case of Werth vs. Fire Companies Adjustment Bureau upheld the legality of the bureau's plan of operation and rejected a plea for damages on the ground that it constituted a conspiracy to put independent adjusters out of business.

Werth was formerly a salaried adjuster for the General Adjustment Bureau and later opened an office at Bristol, Va., as an independent adjuster. He claimed that at one time he was employed as an adjuster by 58 companies but this representation was soon reduced to three or four after the bureau began functioning.

As to the allegation of conspiracy, the court said in its opinion: "We perceive in the plan no element of compulsion or force. Any member of the National Board may employ an independent adjuster. Neither the plan nor the evidence shows that any member company is compelled to employ the defendant to adjust its losses. Applying the law, as we conceive it to be, to the facts in the case, the complaint of the plaintiff of the existence of a conspiracy is unsupported by the record."

As to the other allegation, the court pointed out that there was a proviso in the Virginia statute limiting the operation and effect of the act to "trusts which are prohibited and penalized under the provisions of any law of the United States if their activities extended to interstate commerce." It pointed out further that it had been repeatedly held that insurance with its attendant or incident activities is not trade or commerce.

"If insurance and the activities which grow out of it, of which the adjustment of losses is one of the most vital, is not trade or commerce in the statutory sense," the opinion stated, "then it is not prohibited and penalized by the federal anti-trust laws, and if it is not condemned by those laws, it is not condemned by the Virginia law."

guarantee feature of the measure will probably mean the whole measure will be reconsidered at the next congressional session. It is possible that the National association will seek to have the bank agency measure reconsidered, but Mr. Bennett has not yet decided what action he will recommend to the National association's executive committee.

It is possible that the bank agency issue will settle itself by voluntary action by the banks, as a number of them have elected to give up their insurance connections during the past year. The re-organization committee of a chain of North Carolina banks, for example, states that its rehabilitation plans do not contemplate writing insurance in any form. Similar pledges have been made by reorganization committees of a number of closed banks in Arkansas, which for a long time was a hot bed for bank agencies.

## R. F. C. Stock Purchase Bill Signed by the President

WASHINGTON, D. C., June 21.—Legislation permitting the Reconstruction Finance Corporation to purchase preferred stock or debentures of insurance companies was signed by President Roosevelt following the adjournment of Congress last week. The measure as finally enacted was unchanged from the conference committee draft, limiting relief to companies paying only "reasonable compensation." A limit of \$50,000,000 is placed upon the amount which the corporation may have outstanding at any time.

## THE WEEK IN INSURANCE

Insurance executives are watching all developments in connection with the national recovery act to determine its application to the business. Page 3

Superintendent Van Schaick of New York approves nation-wide marine definition made by commissioners in Chicago; says cooperation is necessary in carrying it out. Page 3

Companies express concern at increase in unprotected business coming from agents in larger centers. Page 3

A ruling as to procedure is expected in connection with the new Missouri law, which makes taxes the first lien upon money due from an insurance company. Page 7

Legislative season drawing to close with only a few states now in session; little harm done. Page 5

Mississippi Association of Insurance Agents holds its annual meeting at Hattiesburg. Page 4

Right of action for accounting of profits made in selling insurance stocks to Fire Company of Chicago lies against Massey Wilson and E. W. Merritt, Jr., federal master in chancery at Chicago rules in receivership suit. Page 5

Fire losses for May show the lowest monthly loss in many years. Page 9

Fire premiums off about 15 percent in the south, while losses decrease in greater proportion. Page 5

Pennsylvania Insurance Days held at Atlantic City. Page 5

Signs of returning prosperity cheer midsummer meeting of Connecticut Association of Insurance Agents in Norwich. Page 3

William S. Diggs of Pittsburgh, well known insurance man, becomes assistant manager of the Pennsylvania state workmen's compensation insurance fund. Page 6

National Association of Accident & Health Managers holds annual meeting in Pittsburgh. Page 23

Because of the provision for federal bank deposit guaranty in the Glass Steagal banking act, changes will be required in depository bond writing by private surety companies. Page 25

Great Lakes Casualty is organized in Detroit to carry on much of the business of the Central West Casualty, Armstrong Crawford being president of the new company. Page 23

New Kentucky automobile fleet ruling made by Commissioner Senff. Page 24

Potential field for automobile liability and merit rating discussed by R. C. Mead of the National Bureau at Pennsylvania Insurance Days. Page 25

Some accident and health underwriting lessons are drawn from the depression. Page 23

Limit coverage on bank burglary counter losses to 15 percent. Page 23

Companies undecided whether or not to appeal Virginia rate case to the United States Supreme Court. Page 14



## Pennsylvania Men at Atlantic City

Excellent Legislative Record Reported by Teamer at Federation Meeting

### ELECT BEYER PRESIDENT

King, Muldaur, Mead and White Speak—Industrial Accident and Health Round Table Held

By R. B. MITCHELL

ATLANTIC CITY, N. J., June 21.—An unusually fine record for stopping inimical insurance legislation and getting constructive measures through during the last session of the Pennsylvania legislature was made by the Pennsylvania Insurance Federation, it was revealed at the Pennsylvania Insurance Days held at Atlantic City. Despite conditions which brought forth all manner of unsound legislative proposals, not a single bill disadvantageous to insurance became law, while 18 measures which are expected to prove beneficial were enacted.

The legislative situation was reviewed by H. W. Teamer, secretary-manager of the federation. Chief among the 18 new laws are the automobile financial responsibility law and the law making workmen's compensation premiums a preferred claim in the event of the insolvency of the insured. The responsibility act is considered broader than that of New York or New Jersey, in that it has a hold on the operator as well as the owner of a motor vehicle.

John J. King, Speaker

In his address, "Reminiscences of the Builders of Insurance," President John J. King of the Hooper-Holmes Bureau cited a portion of the first report of the United States commissioner of labor in 1886, as indicating that there is today more hope for the future than many are willing to believe. This report, made 47 years ago, said in part:

"It is true that discovery of new processes of manufacture will undoubtedly continue, and this will act as an ameliorating influence, but it will not leave room for marked extension, such as has been witnessed during the last 50 years, or afford employment to the vast amount of capital which has been created during that period. The day of large profits is probably past."

"In 1886, then, we were fed up," Mr. King commented. "We were through. From the surfeit there could be no recovery. Everything had been thought of. Technological unemployment was with us for good. Industrial progress was stymied. Maybe a few things might be conjured up, but not enough to count. But it would take a volume to describe the things that have come into the life of America since then."

Muldaur Describes Work

"What one can't foresee is hard to believe, so today, as then, we have the feeling that the commissioner of labor had back there—the feeling that we're stopped. And 47 years from now some viewer of the past will smile, as we smile now, at the shortsightedness of a generation that was."

The work of the Underwriters Laboratories in testing materials was described by G. B. Muldaur, general agent. His talk was illustrated by slides showing some of the tests used, including the fire and impact test for safes. Department stores and the "five-

(CONTINUED ON PAGE 21)

## Legislative Season Draws to Close; Little Harm Done

### MOST ASSEMBLIES ADJOURNED

Illinois Creates Independent Insurance Department; Wisconsin and New Jersey Still in Session

The legislative season is about ended, New Jersey, Wisconsin, Illinois, Arizona and Idaho being reported as the only states in session. Ohio is adjourning this week and Michigan adjourned last week. In view of the fact that 43 legislatures were in session for several months, results for insurance were not bad.

In Wisconsin a measure passed both houses and is now law repealing the provision drafted two years ago by Assemblyman Carleton Mauthe, who was responsible for the fire insurance rate investigation of that date, setting up an advisory committee in connection with fire rates. This committee was to consist of seven members, a municipal authority, manufacturer, policyholder, lawyer, agent and one official each of a stock and mutual company. No committee ever was appointed, however.

This new law also makes it unnecessary for fire companies to file reports of loss adjustments with the rating bureau as was previously required. The bill amending the valued policy statute was engrossed last week and is on the calendar for consideration this week.

The bill which gives justices of the peace increased jurisdiction up to \$500 when actions are consolidated, was passed by the Illinois senate and went to the governor for signature, as was the bill abolishing the department of trade and commerce and establishing the new department of insurance.

A number of bills which have concerned insurance men were stricken from the calendar, partly due to the prospect of early sine die adjournment this week. One was a bill to regulate insurance rating organizations. Two

## Right of Accounting Against Wilson and Merritt Upheld

### RECEIVERSHIP LAST RESORT

Ruling in Fire Company of Chicago Case Is Profit Was Made on Stock Deal

A receivership for the Fire Company of Chicago should be avoided, if possible, Jacob Grossman, federal master in chancery in Chicago, stated in his findings which brought to an end a long series of hearings in the suit of a protective committee of minority stockholders by Gilbert Mather of New York, for appointment of a receiver.

A profit was made by Massey Wilson, chairman of the board, who also headed the Insurance Investment Corporation and the Security Mortgage Corporation; by E. W. Merritt, head of the Reserve Company, and by the first two corporations, the master ruled, thus creating a right of action to seek an accounting. The stock prices were excessive and the deals unfair, it was ruled. He suggested to Federal Judge Wilkerson that the two men and two corporations should be held for accounting and if this were done there would be no need for a receiver.

The appointment of a receiver for (CONTINUED ON PAGE 21)

valued policy measures were stricken. As was expected, the bill to create a state commission to adjust all fire losses was stricken. Another bill to make casualty companies codefendants in liability action was stricken, as was one to set up a monopolistic fund for workmen's compensation. Others stricken were bills to set up old age pension plans, compulsory automobile liability measure, financial responsibility bill, one to require liability bonds with each motor vehicle license, and still another to prevent companies organized in a foreign country from operating in Illinois.

## Report Premiums Off 15% in South

Losses Decrease in Greater Proportion Due to Underwriting Vigilance

### CHECK AGENCY BALANCES

Tolerant Enforcement of General Agency Separation Rule Is Expected to Avoid Hardship

NEW YORK, June 21.—Fire premiums in south thus far in 1933 show approximately a 15 percent decrease. As a counter, however, the loss record of the territory has decreased in even greater ratio, a condition attributed in part to the fact that many of the poorer risks had already been "burnt over," while those remaining are being very closely underwritten. Many companies have withdrawn from communities that showed a persistently high loss ratio and have called a sharp turn upon agencies whose general run of business has been unprofitable.

### Pruning Process Continued

Although eager at all times to maintain premium income, executives are yet unwilling to do so if it means the acceptance of a grade of risks that do not measure up to reasonable requirements. Farm business in the south has been severely curtailed and the pruning process is being continued. In the winnowing program that has been followed during the past trying three years, not only have many local agencies been given up, but the poorer grade field men have been dropped, managers feeling that while they might be content to carry second-rate specials in periods of prosperity, they are unwilling to do so in times of stress when so many problems require attention, in the solution of which real ability is demanded.

### Sensible Enforcement Expected

Enforcement of the Southeastern Underwriters Association's general agency rule is expected to be along sensible lines; such offices as were established in good faith before the adoption of the regulation are to be given time within which to adjust their affairs so that no hardship result to them or their companies. It is hoped that the rule of the S. E. U. A. in this connection will be applied in territory beyond the jurisdiction of the body; notably in certain southwestern states where general-local agency tieups are found in great number, and thus far have resisted all attempts at their regulation.

The S. E. U. A. agency balance rule is now in effect and field men are busy checking up figures furnished them by the member companies and seeing to it that the new regulation is faithfully complied with.

### Pearl Is Making Appointments

NEW YORK, June 21.—Following the arrangement effected between the Monarch Fire of Cleveland, and the Pearl Assurance of London last May, whereby the former company turned over to the latter a percentage of its business in six central western states, the Pearl has been entered in a number of agencies recommended by the Monarch Fire. In Ohio notably it has made a number of excellent connections. The management of the Pearl is being constantly importuned to establish agencies in some of the southern states, but has turned "thumbs down" in each instance after examining the loss records.

## Advanced by Western & Southern



D. E. MURPHY

D. E. Murphy, who has been with Western & Southern Fire of Cincinnati since it started operations in March, 1931, has been made assistant secretary. He started with the Fidelity-Phenix in 1913 in Chicago and in 1916 traveled in Indiana for the survey department. In 1920 he went with the Pennsylvania Fire and when the western department was moved to New York he went with the Commercial Union in Chicago as an examiner, changing in 1924 to the Westchester Fire and remaining there until



E. P. GUSTAFSON

that department was moved to Freeport, Ill. He became fire underwriting manager of the Western & Southern at the company's inception.

E. P. Gustafson, also appointed assistant secretary of the Western & Southern Fire, started with the American National of Columbus in 1918 as manager of the local department and in 1924 was made assistant secretary, which position he held until he resigned recently to become assistant secretary of the Western & Southern Fire.



## Connecticut Rally Proves Optimistic

(CONTINUED FROM PAGE 3)

sition, stated that public confidence in insurance seemed unimpaired. He reported 40 less companies operating in Connecticut than last year when the number was 500. Of agents, he said, "Many agents have been forced out of business, not a few of them because they allowed too much credit. Many of them are still carrying staggering burdens and making great sacrifices in order to serve their clients. When the full record of the depression is written, an important chapter should deal with the service and sacrifices of the insurance agents of the country."

Speaking of companies, he advocated "the various states should be just as careful about chartering a new insurance company as a new bank. The promoters should be required to establish the public necessity of a new company before they are given authority to begin operations."

H. P. Smith explained methods of operation of the Factory Association from the time an application for its service is received until a case is completed.

The association must know when it acts upon an application that the request comes from a source which is in control directly or indirectly of the entire business. It has 50 men ready to give service. An equivalent of the full time of seven men is required to give special protection service such as that given when sprinkler systems are out of order.

During the past three years 400 new risks have been written through the association for a total of \$500,000,000 insurance. Much business submitted must be refused because the quality of the risks is below minimum standards. Mr. Smith said that acceptable risks usually must be paying a rate of 20 cents or less to the competitive carriers.

### Ralph Richman on Program

A short talk was made by R. E. Richman, newly appointed New England manager for the National Underwriter Company.

Committee reports were made by Paul Taylor, New Haven; J. L. Case and David North. Mr. Taylor presented a credit bureau as the most effective association membership builder and retainer. E. J. Cole, Fall River, Mass., spoke on progress of the automatic policy cancellation campaign. He said the most effective action could be obtained

only through agency organization, no matter what legislative enactments were made.

C. D. Foster and W. F. Lester spoke for Norwich agents and companies. The program committee was headed by J. L. Case, who was aided by S. J. Sumner and H. L. Bailey, Jr. The convention adjourned after the noon luncheon.

The regular annual meeting of the association will probably be held in October shortly after that of the national organization.

## Late News from the Casualty Field

### Accident Fund Transferred

LANSING, MICH., June 21.—The Michigan legislature returned supervision of the state accident fund from the state administrative board to the insurance department. The measure is given immediate effect, which means that the fund must be examined before the commissioner resumes his jurisdiction.

### Security Values Increase

An appreciation of \$1,500,000 in the securities of the Standard Accident of Detroit since the beginning of the year is reported by the company, which is understood to be arranging to increase its capital and net surplus accounts.

### Decide on 10 Percent Flat

NEW YORK, June 21.—Commissions upon beer bonds, surety companies determined yesterday, are to be flat 10 percent instead of the 10 and 15 scale previously suggested.

### Southern Surety Claims

DES MOINES, June 21.—Claims amounting to approximately \$140,000 were allowed by Judge Dewey in federal court here in the receivership of the Southern Surety of Iowa. The receiver is E. W. Clark, Iowa insurance commissioner. All of the claims with one exception were on contractor's bonds.

### Large Damage Suit Filed

Alleging unfair competition, the Mutual Benefit Health & Accident of Omaha has filed suit in the federal court at Indianapolis seeking damages of \$100,000 against the Physicians Protective Casualty of Indianapolis, charging that agents were lured away by the defendant with a resultant loss of more than \$75,000 to the Mutual Benefit.

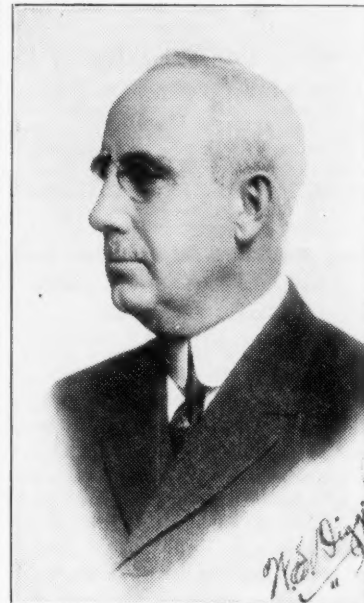
### B. C. Scudder Dies

NEW YORK, June 21.—B. C. Scudder, manager of the New York Binding Office, died here yesterday. Mr. Scudder was widely known to the fraternity here, having been in the fire business over 30 years, first with Crum & Forster and since 1920 as head of the excess line writing office he formed.

### Western Loss Men Meet

At the meeting of the Western Loss Association in Chicago this week presided over by President John Shea of the Aetna, there was considerable discussion over topics that have been before it in recent months. The expense of loss adjustments came up again for airing. Some of the members are much interested in the automobile theft situation in Chicago. There has been a very penetrating investigation of claims for tires that were purported to be stolen. Many of these supposed losses, it was found, are fraudulent, the assured meeting with an accident and having one or more tires damaged and put out of commission. Having no collision insurance, a claim for theft would be

## W. S. Diggs Change



WILLIAM S. DIGGS

W. S. Diggs of Pittsburgh, head of the insurance agency of Hoover & Diggs Co. of that city, and well known in the fraternity, is appointed assistant manager of the Pennsylvania state workmen's insurance fund. He was formerly in the business at Cincinnati. He organized the first branch of what is now the Insurance Federation. In fact he is regarded as the father of the federation movement. He served as president of the Pennsylvania Insurance Federation a few years ago. He was president of the Ohio Insurance Federation in its initial stage.

made. In view of the number of theft claims of this kind some recommendation may be made later on. Some members reported unfortunate subrogation experiences recently. There will be no further meeting until October.

### Death of J. A. Viglini

J. A. Viglini, 58 years of age, head of Viglini & Co., Louisville local agents, died June 20, of pneumonia, after a weeks illness.

### Miscellaneous Notes

Bankruptcy of the Federal Trust Company of Lincoln, Neb., has been followed by the sale by the trustee of its insurance business to the Lincoln General Agency, owned by W. E. Barkley and S. E. Copple, formerly with the Continental.

George J. Fries, local agent in La Crosse, Wis., since 1896, has taken over the S. V. Taylor agency.

### Special Agent

wanted by the Employers' Liability Assurance Corp. to travel the state of Ohio. Address

Thomas E. Hanlon,  
First National Bank Bldg.,  
Cincinnati, Ohio

### EXPERIENCED ACCOUNTANT and FIRE UNDERWRITER

Now employed by a Mutual Company desires to make a change. Home Office experience in fire and hail underwriting, actuarial work, collections, etc. Future opportunity more essential than present salary. Will go anywhere in U. S. Address Box X-48, The National Underwriter.

### Wanted

By a Chicago Local Agency, Cashier and Bookkeeper. Must have had experience in handling Chicago local business. In applying give full particulars. Address X-47, The National Underwriter.

**"THERE ARE NO ALPS."**

—Napoleon.

## GOLDEN

Indomitable spirit characterized his efforts and in minimizing a project formerly achieved by only one man, he truly presented the same spirit which carries us through this day.

## ANNIVERSARY

In its Golden Anniversary Year, because of the loyal service of our agents, the Security Fire can repeat with Napoleon, "There are no Alps".

## YEAR

**Security Fire Insurance Company**  
Davenport, Iowa

PROTECTION SINCE 1883



## Expect Ruling on Statute Making Taxes First Lien

### FORMS ARE BEING DRAFTED

#### Outline of Procedure Needed Under Missouri Law Attaching Insurance Payments for Unpaid Taxes

The likelihood is that the Missouri attorney-general soon will issue directions to county tax collectors for following the provisions of the new Missouri law which makes taxes a first and paramount lien upon the money due from an insurance company in event of destruction of any permanent buildings or improvements by fire or windstorm.

The attorney-general probably will advise collectors that, where improvements are visited by fire or windstorm, it is their duty, when asked by the assured for a certificate, to determine whether the damage to the permanent buildings or improvements will prejudice the collection of taxes and whether the buildings or improvements were on the lot or parcel of land at the time of the levy and assessment of taxes and whether any such taxes are due and unpaid, and to furnish the assured with proper certificates.

#### Release of Lien

If the collector finds that the buildings or improvements visited by fire or tornado were not situated on the lot or parcel of land at the time of the levy and assessment or there are no taxes due and unpaid or the damage will not prejudice the collection of any taxes that may be due, then the collector should issue a certificate at the request of the assured providing for waiver and release of lien.

A form of waiver that is suggested reads: "The undersigned collector of the revenue of \_\_\_\_\_, Mo., hereby waives and releases lien (created by senate bill No. 94, session of 1933, Missouri legislature) against all amounts which may be due from any and all insurance companies, on account of destruction of any permanent buildings or improvements, on account of fire, tornado or windstorm occurring on \_\_\_\_\_, to buildings or improvements located on \_\_\_\_\_ county of \_\_\_\_\_, state of Missouri; the amount of taxes due against said property are (give amount of taxes, and, if none, state none.)"

If the collector finds that the buildings or improvements were situated on the lot or parcel of land at the time of the levy and assessment and there are taxes due and unpaid and the damage will prejudice the collection of any taxes that may be due, then the collector should issue a certificate at the request of the assured in the following form:

"The undersigned collector of the revenue of \_\_\_\_\_, Mo., hereby claims lien against all amounts which may be due from any and all insurance companies, on account of destruction of any permanent buildings, or improvements on account of fire, tornado or windstorm occurring on \_\_\_\_\_, to buildings or improvements located on \_\_\_\_\_ county of \_\_\_\_\_, state of Missouri, the amount of taxes due against said property are \_\_\_\_\_."

The suggestion is that no charge be made for the issuance of such certificates.

#### Luikart Acting Director

Governor Bryan has named E. H. Luikart acting director of insurance of Nebraska until such time as Director Lee Herdman, now slowly improving from a long illness, is able to resume his duties. Mr. Luikart is superintendent of the department of banking, and was head of the department of trade and commerce when insurance was included as a bureau. The work of the office is being directed by Mrs. Mary A. Fairchild, chief clerk for years.

## Is Presiding



SCOTT NIXON, Augusta, Ga.

Scott Nixon, president Georgia Association of Insurance Agents, is presiding at the annual meeting held this week at Albany, Ga. He is one of the finest looking young men in the agency ranks.

## Editor C. K. Drew Would Call Off Meeting of Blue Goose

Editor Cyrus K. Drew of the "Western Underwriter" at San Francisco is advocating the calling off of the grand nest meeting of the Blue Goose at Toronto this year and instead giving the state ponds 50 percent of what it would cost for the meeting to enable them to carry on their welfare problems with greater efficiency. Mr. Drew feels that there are many members of the Blue Goose out of jobs and who are needy. It occurs to him that it is far more important for the order to look after worthy members who are in hard luck than it is to have an annual meeting. He believes that during the present emergency the best interest of the organization can be advanced by activity centralized in individual ponds.

## Commodity Price Rise Has Increased Insurance Needs

NEW YORK, June 21.—What the increase in commodity prices in the last three months means is graphically set forth in a chart prepared by the America Fore group. Commenting on the exhibit Ernest Sturm, chairman of the board, says: "During the past three months commodities have increased 50 to 75 percent in value, creating a need for over \$500,000,000 additional insurance. Today, in many cases, replacement costs are one-and-a-half times higher than those of March."

The opportunity thus afforded for agents to properly safeguard the interest of their clients, and at the same time secure additional commissions for themselves, he adds, should not be overlooked.

## Would Control Match Manufacture

TORONTO, June 21.—The Association of Canadian Fire Marshals at its meeting passed a resolution asking for legislation to provide for the control, either through Dominion or provincial authority, of the manufacture of matches. The association is urging such a measure now because of a fire in a match plant at Hull, Que., recently, in which six lives were lost.

## New Mortgage Law to Check High Dwelling Fire Losses

### WILL RELIEVE MORAL HAZARD

#### Company Executives Expect Decrease in Arson Due to Financial Pressure

NEW YORK, June 21.—The new home mortgage loan law is expected to aid in checking dwelling fire losses which have increased sharply since 1930. It is generally considered among company officials that the excess dwelling losses were due to moral hazard, the owners having suffered loss in the market crash and the depression. The federal government's granting of lower interest rates and extending time for repayment is expected to relieve the financial pressure which has forced many people to resort to arson as a means of raising money.

Due to the extraordinary financial circumstances, many people who ordinarily would not have succumbed to the temptation, sought to "sell out" to the insurance companies in order to get

## Insurance Is Not Affected by Industrial Recovery Act

Insurance companies are not affected by the industrial recovery act passed by Congress imposing a tax on dividends to individuals and foreign corporations, and also a capital stock tax and excess profits tax, it was stated this week by an insurance legal authority. The only obligation under the act which falls on the insurance companies is that they must withhold 5 percent of dividends paid to persons other than domestic corporations, as a means of guaranteeing that such individuals will pay the tax.

immediate cash or to retain their equity when heavily mortgaged property was threatened with foreclosure. The extent of this practice, of course, can not be proved and must remain a matter of supposition. All executives realize that the evil existed, although there is a variance of opinion as to its extent.

Another marked loss development in the past three years has been the surprisingly large number of closet fires in residences. While the individual claims are not heavy, a few run as high as \$1,000 each and the aggregate is large enough to cause executives concern.



## WE EXTEND TO YOU A CORDIAL INVITATION

*Are you coming to Chicago for the Century of Progress Exposition? If you are, we cordially invite you to visit our office — the Home Office of the company, located only a short distance from the Fair Grounds, 175 West Jackson Boulevard — Telephone Wabash 3747. We want you to see our office, meet our people, and share a bit of hospitality that we have arranged for you. If you come, we'll try to make your visit pleasant—make you glad you came. Shall we look forward to the pleasure of seeing you here this summer?*

MILLERS NATIONAL INSURANCE COMPANY



## NEWS OF FIELD MEN

### Brake Heads Iowa Association

**Aetna Special Agent Elected President of Fire Prevention Group at Annual Meeting**

DES MOINES, June 21.—Fred E. Brake, Aetna special agent, was elected president of the Iowa State Fire Prevention Association at its annual meeting. He succeeds N. P. McGovern, Des Moines.

Other officers named were Robert Benbow, vice-president, Des Moines; Claude W. Borrett, secretary-treasurer, Des Moines, and J. H. Bunten, assistant secretary, Des Moines. The two last named were re-elected.

#### Strohm Reports on Losses

John W. Strohm, state fire marshal, reported fire losses in the state thus far this year were less than for the same period a year ago. Secretary Borrett reported on inspections. In Dubuque 455 risks were inspected; 1,244 recommendations for elimination of fire haz-

ards made, and addresses to 9,450 persons on fire prevention were delivered.

### Louisiana Blue Goose as Hosts

The Louisiana Blue Goose has invited the members of the New Orleans Insurance Exchange and the members of their office force on a moonlight ride and dance on the steamer "Madisonville" on the Mississippi river Saturday evening. R. M. Pons is most loyal gander and J. I. Wagner of New Orleans is chairman of the reception committee.

### Mississippi Blue Goose Elects

The annual meeting of the Mississippi Blue Goose was held at Brown's Well, near Hazelhurst. John Ledbetter, agency superintendent southern department Hartford Fire, Atlanta, was an honor guest. New officers elected were: Edward Yerger, Jr., most loyal gander; H. L. Nelson, supervisor; F. J. Carroll, Jr., custodian; R. S. Greer, guardian; E. S. Henne, keeper, and W. W. Sampson, welder. Mr. Sampson is the re-

tiring most loyal gander. Julian Prieau was toastmaster at the dinner. Three goslings were initiated.

### Larkin Heads St. Louis Pond

ST. LOUIS, June 21.—William B. Larkin was elected most loyal gander of the St. Louis Blue Goose. He succeeds J. E. Ball.

Other officers are: Jesse H. Duvall, supervisor; F. D. Eubank, custodian; R. E. DeHaven, guardian; W. A. McKenzie, keeper and J. B. Taylor, welder. Mr. Ball and Mr. Taylor were named grand nest delegates.

N. K. Nelson, deputy most loyal grand gander of the grand nest, was the principal speaker.

### Manners with Enck & Linnell

George H. Manners has been appointed state agent of the Enck & Linnell companies in Minnesota. He was formerly associated with Mr. Linnell as special agent when the latter was state agent of the Twin City Fire in Minnesota. Mr. Manners will continue to live in Farmington but will have his office with Enck & Linnell, Baker building, Minneapolis.

### Peters to Head Field Men

B. F. Peters, Illinois state agent for the Royal, is scheduled to be elected president of the Illinois Fire Underwriters Association at the annual meeting of that organization at Delavan Lake, Wis., Thursday and Friday of this week. Mr. Peters has been vice-president for the past year.

The new vice-president is likely to be Grant C. Bissell of the Aetna Fire, who is a member of the executive committee.

### Honor Former Iowa Field Men

DES MOINES, IA., June 21.—Iowa field men honored three of their former members at a testimonial banquet here with 100 field men participating.

The three field men honored were

Ralph E. Mackintosh, now of Los Angeles, who was retired on pension a few weeks ago as state agent for the Commonwealth; Ralph G. Vincent, former Iowa state agent for the America Fore, who has transferred to Madison, Wis., and Walter H. Ross, formerly adjuster here for the Home, now transferred to Columbus, O. Mr. Mackintosh was unable to be present. Clay Stuart, veteran Iowa field man, presided as toastmaster.

### Mashek Heads S. D. Men

W. H. Mashek of the Northwestern Fire & Marine has been elected president of the South Dakota Fire Underwriters Association. The new vice-president is L. G. Spies, North America, and secretary, W. W. Boardman, Liverpool & London & Globe. The new members of the executive committee are W. F. Benbow, Great American; Burt Burton, Home of New York, and E. H. Partch, America Fore.

### Colorado Blue Goose Meeting

The Colorado Blue Goose will hold its annual meeting and dinner in Denver June 30. Most Loyal Gander Brown has requested members to turn in clippings, snapshots or other interesting data concerning members, with a view of establishing a pictorial history of Colorado pond.

### Sherman in Accident

F. R. Sherman, Iowa state agent for the Milwaukee Mechanics, was seriously injured in an auto accident, a head-on collision at Cherokee, Ia., receiving a broken knee cap. He is in a Des Moines hospital.

### Fire Preventionists Elect

R. F. Thompson of the Hartford is the new president of the North Dakota State Fire Prevention Association; the vice-president is Leonard Zell, Hanover, and secretary W. G. Curtis, Western National Fire.



## Fire Association of Philadelphia The Reliance Insurance Company Victory Insurance Company

OTHO E. LANE, *President*  
JAMES G. MACONACHY, *Vice-President*  
WILLIAM S. EVANS, *Vice-President*  
J. VICTOR HERD, *Secretary*

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#### OCEAN AND INLAND MARINE DEPARTMENTS

Appleton & Cox, Inc., Attorney  
8 South William Street      New York City

Service Offices or General Agencies in all Principal Cities

*Detailed list of Securities showing condition as of December 31st, 1932, will be supplied on request.*

## AS SEEN FROM CHICAGO

### COMPREHENSIVE POLICY RATES

Supplementing the recently published Chicago rate manual, a bulletin has been issued by the National Automobile Underwriters Association giving the formula for arriving at premiums for the comprehensive automobile policy.

The cost of the full coverage comprehensive policy in that city is the total of the fire and theft premiums plus full coverage collision premiums, plus the premiums for combined additional coverage. For the \$25 deductible comprehensive policy, the charge is the total of the fire and theft premiums plus the \$25 deductible collision premium, minus 10 percent; for the \$50 deductible, the charge is fire and theft premiums plus \$50 deductible collision, minus 15 percent; for the \$100 deductible, the charge is the fire and theft premiums plus \$100 deductible collision minus 20 percent.

The minimum premium is the corresponding deductible form of collision premium plus 5 percent.

### OHLSSEN HEADS BLUE GOOSE

C. W. Ohlsen, assistant western manager of the Sun, was elected most loyal gander of the Illinois Blue Goose at the annual meeting Monday. He succeeds R. D. Wiley, Illinois state agent for the Atlas. Frank J. Breen, state agent Standard of New Jersey, was reelected supervisor. The new custodian is A. T. Ahlin, state agent for the Norwich Union. A. R. Miller of the America Fore group was started up the ladder, being elected guardian. A. J. Meyer, Automobile, was reelected keeper and P. J. V. McKian was reelected welder. Mr. Wiley and Mr. McKian were elected delegates to the grand nest meet-



C. W. OHLSSEN

ing in Toronto. The pond adopted a resolution recommending that after this year only one delegate from each pond be sent to the grand nest meeting. Another resolution recommended that dues of the individual ponds paid to the grand nest be reduced from \$2 to at least \$1.50 and possibly \$1.

A letter was read from P. K. Walsh, former vice-president of the National Security of Omaha, now an undertaker in that city, asking support of the Illinois pond to bring the grand nest meeting in 1934 to Omaha. He also asked the Illinois pond to support the candi-



dacy of L. H. Bridges, formerly of Nebraska, but now of Illinois, for most loyal grand gander at the Toronto meeting. Mr. Bridges, who travels for the Home, is now supervisor.

#### TO OPEN MARINE OFFICE

S. C. Mount has been assigned by the Liverpool & London & Globe to open a western marine department at Chicago for that group. Mr. Mount has been associated with the L. & L. & G. for about 20 years.

#### CANCEL VALUED POLICIES

Some of the nonconference companies in Chicago that have been issuing valued automobile fire and theft policies are restricting the use of this form because of the bad loss ratio in that city. For instance, one company is canceling all valued form policies of more than \$1,500 and is considering the advisability of canceling all such policies over \$1,000.

#### SALVAGE OPERATIONS RETARDED

The operations of the Central Salvage Bureau, which was set up in Chicago as a central depot for handling automobile losses, have been somewhat retarded by the action of the new city administration in directing police to call upon four designated garages for towing. These garages charge \$7.50 for towing, as compared with \$3.30, which is charged by the Central Salvage Bureau. Then the designated garages charge a dollar a day for storage.

Some of the companies have considered the advisability of breaking up this arrangement by refusing to pay the \$7.50 and seeking to replevin the automobiles held in the designated garages.

#### HAS ADDED RESPONSIBILITIES

John Chickering, whose appointment as Cook County manager for the Sun was announced last week, takes on the responsibilities of this office in addition to those of agency supervisor in the western department. He now has the double decked title of agency supervisor and Cook county manager.

J. P. Hosking of New York City, assistant United States manager of the Century of Scotland, has been on a western trip, visiting some of the leading agencies.

The annual golf outing of the Automobile Superintendents Club of Chicago will be held at the Mohawk Country Club June 29. J. M. Japenga of the National Association of Automobile Underwriters is chairman of the golf committee.

#### Crop Damage Is Retarding Sale of Hail Insurance

Although grain prices are rising, the sale of hail insurance on these crops is not showing the increase that might be expected. Hot, dry weather in many of the grain states is causing serious crop damage, which offsets to a large extent the improvement in price. The hail writing companies are showing an increase over last year, which promises to run as high as 50 percent. This will cut down the expense ratio of most companies to probably less than 50 percent. Losses so far have been light and if they continue to be favorable, the companies will make a profit out of their hail business this year.

#### U. S. Chamber Directors Meet

The directors of the United States Chamber of Commerce are meeting this week in Washington, the first since the annual meeting. The two insurance directors, President Justin Peters of the Pennsylvania Lumbermen's Fire of Philadelphia and Western Manager J. C. Harding of the Springfield Fire & Marine at Chicago, are present. Mr. Peters is now chairman of the insurance advisory committee of the U. S. Chamber and Mr. Harding vice chairman.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

#### DONALDSON ELECTED M. L. G.

Thomas B. Donaldson, associate manager of the Eagle Fire of New Jersey, is the new most loyal gander of the New York City Blue Goose, having been advanced from supervisor at the annual meeting in Newark.

Clarence Axman of the "Eastern Underwriter" was advanced to super-



THOMAS B. DONALDSON

visor; C. L. Simpson, National Board, custodian; R. J. Monahan, Schedule Rating Office of New Jersey, is guardian; S. G. Bross, Home of New York, is keeper, and M. C. W. Buchenberger, Underwriters Salvage Company of New York, is welder.

Delegates to the grand nest meeting are Mr. Donaldson and Sam Mehorter, Home of New York, who is grand custodian.

The candidacy of J. C. Buchanan of Los Angeles, manager of the Inter-Insurance Exchange of the Automobile Club of Southern California, for grand keeper was endorsed.

#### MAY FIRE LOSSES DOWN

The National Board statistics show that the May fire losses in this country amounted to \$24,338,714. This is a decrease of \$14,931,810 or 38.02 percent as compared with May of last year. Last months' fire loss is the lowest in a monthly record for many years. There were some rather large losses in the month, one at Oakland, Cal., and one at Sayre, Pa. There were two conflagrations in Maine. Therefore the small losses went down. The following table shows the losses for the first five months compared with the similar month of the last two years:

	1931	1932	1933
Jan.	\$44,090,783	\$39,224,783	\$35,547,565
Feb.	41,776,051	39,824,622	36,661,481
Mar.	44,074,362	49,189,124	35,321,248
Apr.	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
Tot.	\$209,199,899	\$211,331,286	\$159,694,978

The New York "Journal of Commerce" finds that during May the aggregate of the losses of \$10,000 or over was \$16,408,500. The main losses were Rochester, N. Y., church, \$300,000; Carthage, N. Y., ice house, \$100,000; Wayne, Alta., coal tipple, \$100,000; Sayre, Pa., hospital, \$1,500,000; Wake Forest, N. C., college building, \$150,000; Oakland, Cal., pier, \$2,500,000; Lansing, Mich., furniture plant, \$125,000; Ellsworth, Me., several blocks, \$1,000,000; Dayton, O., warehouse, \$200,000; Auburn, Me., several blocks, \$1,500,000; Vancouver, Wash., business block, \$125,000; Bloomburg, Pa., hotel, \$150,000; Columbia, S. C., garage, \$125,000; West Scranton, Pa., foundry, \$100,000; Columbus, Ga., cotton compress,

\$400,000; Wilmington, Del., flour mills, \$100,000; Harveytown, Ky., coal company, \$75,000; Charleston, S. C., chemical warehouse, \$150,000; Gowen, Pa., coal breaker, \$125,000; Afton, Mich., stone plant, \$75,000; Baltimore, towel supply plant, \$200,000; Lindsay, Cal., packing plant, \$100,000; Charlotte, N. C., chemical plant, \$100,000.

#### NEW RENT FORM ADOPTED

The expectation is that the sale of rent insurance to owners of concessions and dwelling properties at beaches and other resorts will be stimulated because of the adoption by the New York Fire Insurance Exchange of a rent form for season risks. Under the new form, the owner may insure his rental for the period during which his property is leased instead of for a full year.

The new form provides that where property is leased for a specified number of months and a loss occurs before the lease becomes effective and the property cannot be prepared for the occupant to take it over at the inception of

his lease, then the insurer will pay the owner the rent which he loses. If the premises are made tenable before the expiration of the season, the insurer gets credit for that recovery.

#### N. Y. BROKERS GET CREDIT

Credit for securing the enactment by the New Jersey legislature of the new brokers' license measure in that state is due the Insurance Brokers Association of New York, none of the other brokers' organizations having taken part in the effort. When the New York department demanded an annual fee of \$100 from non-resident brokers licensed in the state, New Jersey under the retaliatory feature of its law made a like requirement upon brokers of New York operating across the line. Conferences between representatives of brokers in the two states resulted in the acceptance by the authorities of each of the proposition that the annual fee be fixed at \$10. The New Jersey agents' association and the Newark Board approved the suggestion and gave support to the measure when offered in the legislature.

C. J. Howell of Grand Island, Neb., who for 28 years has been an architect, is opening a local agency at 201½ North Locust street in his city to write all lines of insurance. Before becoming an architect he was an insurance man.

## The RIGHT Combination in AUTOMOBILE INSURANCE

- Security
- Service
- Safety

**B**ECAUSE accidents are so likely to happen at any time to any car, no matter how skilfully driven, the protection of sound Automobile insurance is vitally necessary to every motorist.

Informed insurance buyers, aware of this fact, and realizing also that today as never before they must exercise discriminating care in placing their coverage, are requiring security of protection, adequate and efficient service, and economy of cost. Because of exceptional ability to satisfy these requirements the American Motorists Insurance Company and its representatives are profiting by this trend. Through their facilities to provide that which insurance buyers seek they have found the means to progress.

## AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

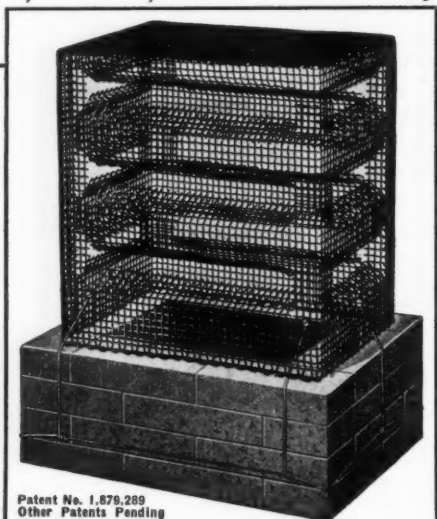
MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

Largest Illinois Stock Casualty Insurance Company



## NATIONAL SPARK ARRESTERS

*prevent fires from chimney sparks*



*A low cost, effective modern fire protection for your assureds that may save hundreds or thousands of dollars.*

Patent No. 1,879,289  
Other Patents Pending

Shown Above: Style of National Spark Arrester made for common square or rectangular chimneys. Other types to fit any size and style of chimney.

National Spark Arresters have been approved by the Farm Underwriters Association.

EVERY year poorly protected chimneys cost American home owners hundreds of millions of dollars. Unguarded chimneys not only cause great property loss but endanger lives—nearly 7,000 persons perish in fires in this country each year, half of them children. National Spark Arresters are safeguards against this needless loss. They effectively stop flying chimney sparks. More National Spark Arresters are sold than any other make because of their superior design, rugged construction, high efficiency and perfect protection. Recommend this arrester to your assureds.

*Write for complete information and prices.*

### NATIONAL SUPPLY & SERVICE CORP.

MEMBER N. F. P. A.  
CRAWFORDSVILLE, INDIANA

**L**IFE INSURANCE as a means of protection, or of savings—yes, even as an investment—has never had so strong an appeal to the public as at the present moment.

In this economic situation, the certainty of life insurance in its personal investment features stands out, particularly as a foundation on which to build home and family security—or for that matter business security.

Men and women likewise have been taught that life insurance can provide for their later years; that they can enjoy its benefits by means of a fixed monthly income for life.

With conditions as they are, the alert life underwriter will not permit his client to forget what past experience has taught; that a solid sense of financial independence comes from the knowledge of a well-considered insurance program for himself and his family.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

## COMPANY NEWS

### Georgia Home Underwriting Division Goes to New York

The underwriting department of the Georgia Home will be removed to New York July 1. The Columbus, Ga., office will be continued in charge of Rhodes Browne, chairman of the board, and J. W. Pierce, with the office for the past ten years, who has been elected assistant secretary. He takes over the duties relinquished by George Klump, secretary, who goes to New York with the underwriting department. The Georgia Home is a subsidiary of the Home of New York.

### Opens Cincinnati Office

The Montgomery County Mutual Fire of Dayton, O., has opened an executive office in the Keith Theatre building, Cincinnati, in charge of C. A. Ellsberry, who was formerly president of the Tower Mutual of Cincinnati. The Montgomery County Mutual was founded in 1844 by Mr. Iddings of Dayton and has been in the family continuously since that time, the president now being D. W. Iddings, who is a well known attorney.

The company is now writing an industrial fire policy on household goods and buildings by the use of debits and is collecting on the insurance by monthly payments.

### Badger Mutual Gains

The Badger Mutual Fire of Milwaukee, under the direction of Secretary Henry Weihbrecht, has made an outstanding record during the past year. During the first 4 months of this year assets have increased \$14,361 to a total of \$793,105, as compared to \$729,415 a year ago. Surplus likewise showed an increase of \$13,703, with a total of \$603,552, as compared to \$550,938 a year ago. The company operates in Illinois, Wisconsin and Minnesota.

### Millers National as Host

The Millers National of Chicago with head office in the Insurance Exchange is receiving a number of agency visitors from all parts of the country who are attending from time to time the Century of Progress Exposition. The Millers National is maintaining a club room at the Midland Club for the benefit of its agency visitors. R. S. Danforth, assistant secretary, is the chief official host and will remain in the office during the entire time of the world's fair in order to look after agents who are in the city. The Millers National is a very popular company with agents and it is doing everything in its power to make the relationship agreeable. The Millers National is 64 years of age. It moved its home office to Chicago in 1869, two years previous to the Chicago fire.

### To Enter Fire Field

The title of the Allied American Mutual Automobile of Boston, which is affiliated with the American Mutual Liability, is being changed to the Allied American Mutual Fire, with the idea of causing it to compete in the general fire field. The company, since its organization in 1920, has confined its writings to automobile fire and theft. The Allied American Mutual operates in about 30 states.

### Hillmuth Assistant Secretary

E. A. Hillmuth, Jr., has been elected an assistant secretary of the General Exchange. He has been connected with that organization since 1926, prior to which time he was connected with the American & Foreign.



**A  
GOOD  
AGENCY  
COMPANY**

*Cooperative  
Conservative  
Conscientious*

**NATIONAL  
UNION FIRE  
INSURANCE  
COMPANY  
PITTSBURGH, PA.**



## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 19

Stock	Par	Share	Bid	Asked
Aetna Cas. ....	10	1.60	49	51
Aetna Fire ....	10	1.60	33	35
Aetna Life ....	10	1.60	18	19
Amer. Alliance ..	10	1.00	14	16
American, N. J. ..	2.50	.50	8 1/2	9 1/2
Amer. Surety ....	25	...	18	20
Automobile, Conn.	10	1.40	18	20
Boston ....	100	16.00	415	425
Carolina ....	10	.50	14	16
City of N. Y. ....	100	2.50	110	120
Continental As. ..	10	2.00	26	28
Continental Cas. ..	5	...	11 1/2	12 1/2
Continental Ins. ..	2.50	1.20	27	28
Fidel.-Phoenix ...	2.50	1.20	27	28
Fireman's Fund. ..	5	3.00	43 1/2	44 1/2
Fireman's F. Ind. ..	10	...	15	18
Firemen's ....	5	...	5	5 1/2
Franklin Fire ....	5	1.00	15	16
Glens Falls ....	10	1.60	25	27
Globe & Rutgers ..	25	...	65	70
Great Amer. Ind. ..	1	...	5	7
Great American. ..	10	1.00	17	18
*Hanover ....	10	1.60	26	28
Harmonia ....	10	.50	12	13
Hartford Fire ....	10	2.00	43	45
Hartford St. B. ..	10	1.60	45	47
Home, N. Y. ....	5	1.00	20	21
Home F. & M. ....	10	2.00	23 1/2	24 1/2
Ins. Co. of N. A. ..	10	2.00	42	44
Maryland Cas. ..	2	...	4	4 1/2
Mass. Bonding. ..	25	...	20	22
National Cas. ....	10	...	6	7
National Fire ....	10	2.00	46	48
National Liberty ..	2	.10	4 1/2	5 1/2
National Union. ..	20	...	40	42
New Amst. Cas. ..	10	1.50	14	16
New Brunswick. ..	10	.50	14	15
North River ....	2.50	.60	15	16
N. W. National. ..	25	.50	75	80
Occidental ....	10	...	15	16
Pacific Mutual. ..	10	2.00	23	25
Phoenix, Conn. ...	10	2.00	50	52
Prov. Wash. ....	10	.80	21	23
Sprgfd. F. & M. ..	25	4.50	71	74
St. Paul F. & M. ..	25	6.00	108	110
Sun Life ....	100	...	440	470
Travelers ....	100	16.00	408	415
U. S. Fire ....	4	1.20	26	28
U. S. Fid. & G. ...	2	...	6	7
Westchester ....	2.50	1.00	18	20

\*Ex. Div.

### Joel W. Hubble Dies

Joel W. Hubble of Jacksonville, Ill., veteran fire insurance man, died last week at the home of his wife's parents, Mr. and Mrs. G. G. Huffaker, in New Berlin, Ill. Funeral services were held at the home of his daughter, Mrs. F. R. Rantz, in Jacksonville. Joel Hubble was born into the business. His father, the late Martin J. Hubble of Springfield, Mo., was a local agent and wrote the first policy in that city in 1858. Joel Hubble's first position as a special agent was with the Farmers of York. Later he went into the field for the Liverpool & London & Globe in Illinois and was prominent in the field. Then he became manager of the old Insurance Co. of the State of Illinois at its head office at Rockford. When it was taken over by the Hanover, he entered the adjusting field at Jacksonville. During the last two years he has conducted a local agency at Jacksonville with L. B. Turner under the firm name of Hubble-Turner agency.

Mr. Hubble is survived by Mrs. Hubble, a daughter, Mrs. Rantz, and a son, B. M. Hubble of Monrovia, Cal. There are four grandchildren. One brother, L. J. Hubble, of Hollywood, Cal., survives. Another brother, the late John P., was prominent in insurance in the west, being at one time western manager of the old Greenwich and later Cook county manager of the Queen. Lee J. conducted a local agency at Monmouth, Ill., and traveled for the Aetna.

### Miscellaneous Notes

A. V. Rescher, former postmaster at Anderson, Ind., and K. E. Blowers of that city have formed the **Rescher & Blowers Insurance Agency**. Mr. Blowers was formerly head of the Citizens Banking Company's insurance department.

**Walter Reitman**, for the last 18 years associated with Reitman-Straus Co., and its successor, Arthur J. Straus Co., has opened his own office, the **Reitman Agency**, in the Straus building, Milwaukee.

## Loss Reforms in Cleveland Stir Agents of That City

### SAY COMPANIES ARE UNFAIR

Reference by Companies to Demoralized Adjustment Situation in City Puzzles Local Men

CLEVELAND, June 21.—Agents in the Cleveland district find that they have received conflicting instructions from their companies of late and all companies refer to the "somewhat demoralized loss adjustment situation" in Cleveland.

Agents here are interested in finding out what companies mean by that statement. They are wondering if companies mean that the situation has been brought about by adjusters for companies or adjusters working for the assured. Agents know of nothing, they say, that has been done by independent adjusters working for insurance companies which would bring about any demoralization and they believe that the companies have heard reports concerning activities of adjusters working for the assured and have confused these two adjuster classes. If they have confused them, discrimination against the independent adjuster working for companies is directed at people who are not responsible for what has happened, they say. In this, agents think the companies are unfair and that they have not taken the trouble to get facts as they exist.

The companies have been devoting considerable attention to the loss situation in Cleveland recently. Agents of Western Underwriters Association companies have been instructed that losses in that city must be referred to bureau adjusters, that is, to adjusters on the staff of the Underwriters Adjusting and Western Adjustment. The companies claim that the public adjuster and contractor-public adjuster evil in Cleveland is at its worst; that the selection of adjusters in the past has been dictated by agents and that excessive loss payments have been made through agency pressure. The arson situation in Cleveland is also regarded as serious, nearly 90 percent of the arson cases in Ohio occurring in that city. The cigarette claim is also a big issue in Cleveland.

### Credits Allowed for Spark Arresters in Seven States

Within the past few weeks the inspection bureaus of seven of the 15 states under jurisdiction of the Farm Underwriters Association have published credits in the rate on farm buildings equipped with approved spark arresters. On the basis of \$100 worth of insurance the credit allowance is five cents on a one year policy, 10 cents on 3 years and 15 cents on 5 years. This allowance is already in effect in Illinois, Iowa, Kansas, Michigan, Nebraska, Oklahoma and Tennessee. The credits will undoubtedly be published in the other eight states. One of the approved devices is that manufactured by the National Supply & Service Corporation of Crawfordsville, Ind.

The National Spark Arresters, which are protected by patents, effectively stop flying chimney sparks which so endanger farm property. Poorly protected chimneys cost American home owners millions of dollars in losses every year. National Spark Arresters are made to fit every size and style of chimney but they do not interfere with draft, they cannot blow off and they are made out of specially treated material that will resist weather, heat and gas conditions for many years.

The agency at Carthage, Mo., owned by Mrs. Sarah F. Davis has been purchased by Cecil S. Miles.



Eye-arresting folders play an important part in building up your premium income. We have caught the attention-compelling knack which keeps a folder out of the waste basket. These describers of coverages tell a complete story and still hold the sparkle which pleases prospects. We have added to their effectiveness with sales letters and sales plans for our agents' use. We would like to mail you samples of these business getters, together with our most interesting book "Making More Money" which tells completely our plans for co-operating with our agents. This book is important. Just a postal card to our Sales Promotion Department—now. Today!

BOSTON INSURANCE COMPANY • OLD COLONY INSURANCE COMPANY  
EIGHTY-SEVEN KILBY STREET • BOSTON • MASSACHUSETTS

Alliance National Advertising this month tells struggling Business and Industry to ask the Alliance Agent for details about Prospective Earnings Insurance.



THE  
ALLIANCE INSURANCE COMPANY  
OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO  
209 W. Jackson Blvd.

SAN FRANCISCO  
231 Sansome Street



## THE NATIONAL UNDERWRITER

Published every Thursday

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
**PUBLICATION OFFICE**, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
**E. J. WOHLGEMUTH**, President  
**HOWARD J. BURRIDGE**, Vice-Pres.-Gen. Mgr.  
**JOHN F. WOHLGEMUTH**, Secretary  
**Associate Managers:**  
**W. A. SCANLON** **G. C. ROEDING**  
**O. E. SCHWARTZ**

**CINCINNATI OFFICE**  
 420 E. Fourth St., Tel. Parkway 2140  
**LOUIS H. MARTIN**, Manager  
**CURTIS C. CROCKER**, Mgr., Handbook Dept.

**NEW YORK OFFICE**  
 Room 803-123 William St., Tel. Beekman 3-3958

**EDITORIAL DEPT.**  
**GEORGE A. WATSON**, Associate Editor  
**R. B. MITCHELL**, Assistant Editor



**BUSINESS DEPT.**  
**NORA VINCENT PAUL**, Vice-President  
**W. J. SMYTH**, Resident Manager

**HARTFORD OFFICE**  
 Temporary Office Address  
 57 Outlook Ave., West Hartford  
**RALPH E. RICHMAN**, Manager

Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies 20 cents. In Combination with Life Insurance Edition, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

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**LEVERING CARTWRIGHT**, Asst. Man. Editor  
**Associate Editors:**  
**FRANK A. POST**, **CHARLES D. SPENCER**  
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**SAN FRANCISCO OFFICE**  
 407-8 Flatiron Bldg., Tel. Kearny 3054  
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**MISS A. V. BOWYER**, Pacific Coast Editor

**DALLAS OFFICE**  
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### May Report Is Gratifying

THE report of the NATIONAL BOARD on the fire loss for May is interesting because it shows a remarkable decrease from May, 1932, 38.02 percent, and a decrease of 12.53 from April of this year. The significant feature of the month, which may be purely accidental, is the sharp decline in number of small losses and the aggregate. There were \$8,000,000 of losses due to four extensive fires

of the month. Then losses of \$10,000 or more excluding the four big fires mentioned ran over \$8,000,000. That would bring the total to about \$16,500,000 while the aggregate for the month was \$24,338,714. If conditions have reached a point where the small losses will be much fewer, it is a condition greatly to be desired. The extent of such losses has been an alarming feature.

### Too Much on Engrossing Subject

THE NATIONAL UNDERWRITER received a discontinuance of a subscription the other day from a local agent who claimed that far too much had been printed about collections of premiums and balances. If a trade newspaper is supposed to reflect the major activities with which it is affiliated it would seem that an up-to-date publication could hardly dodge the fact that much time

is being given to this important matter in insurance. The handling of credit in insurance both from the company and producers' standpoint is far from being solved. A major part of the time of a broker or agent is given to trying to collect money that is due him. Thus time is wasted that might be otherwise profitably employed. It would therefore seem to be worthy of discussion.

### Economy That Is Small Bored

THERE may be extravagance here and there in convention expense even for organizations that are accomplishing much. There is no more effective or desired organization than the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS. While its actions are not binding, yet the fact that the state commissioners realize the need for greater uniformity makes its findings approved by most of the officials. This association is accom-

plishing much for the public and the insurance business. It is therefore a deplorable fact to read that the Nebraska state auditor rules that he will not sign any vouchers for any further convention expense of state officials. The Nebraska department as well as other state departments should always be represented at the commissioners' meetings and the state should pay the bill for such expense gladly.

### Hazard of Loss Away from Home

THERE are many people whose hazard of loss is far greater when they are away from home than at home. We all feel it necessary to carry fire insurance on our household effects. Many of us see even a greater necessity in carrying burglary and windstorm insurance. While we are so punctilious in this regard we often overlook the possibility of loss of our personal effects away from home. Every householder almost always has some clothing out of his house. It is at the laundry, the tailor shop or golf club. Then most men do considerable traveling. They carry grips with personal effects in them. The possibility therefore of loss away from home is great. Many agents have built up a fine business in securing orders for

personal effects insurance. The vacation season is a fine time to solicit this kind of coverage. A number of agents are using the world's fair at Chicago as an opportunity for presenting the subject because so many people intend to visit that exposition.

SUCCESSFUL salesmen, and executives as well, are men who know where they are going and how they are going to get there, because they follow a definite method of procedure. Mediocre salesmen use a hit-and-miss system and their usual alibi is "You can't treat all prospects alike"—as disastrous to the salesman as it would be to the actor if he were to improvise on the stage.—Printer's Ink.

## PERSONAL SIDE OF BUSINESS

The **G. Ph. Hunkel** agency of Milwaukee, one of the oldest offices of that city, boasts of a company representation of many years' standing. They have represented the St. Paul Fire & Marine 50 years; Michigan Fire & Marine, 44; Palatine, 40; American Eagle, 27; American Alliance, 21; Aetna Fire, 17, and the Springfield, 7.

**Frank J. Krehla**, general agent in Wisconsin for the Twin City and Citizens, was married recently to Miss Loretta Scallon.

**R. O. Richards**, Indiana special agent of the Crum & Forster companies, was married at Kenilworth, Ill., to Miss Ruth Sutter. H. A. Pfister, Indiana special agent of the Providence Washington, was best man.

**Chauncey S. S. Miller**, publicity director of the North British & Mercantile, is still confined to his home in New York City on account of illness but is recuperating. Mr. Miller has been a hard worker all his life. He puts enthusiasm into everything that he does. His enforced rest will enable him to recoup his shattered energies. He may decide later to pay a visit to his son, Chauncey S. S. Miller, Jr., at his home in Glencoe, Ill. Chauncey, Jr., is a member of the Chicago adjusting firm of Greene, Whitney & Miller.

**Howard H. Smith**, former mayor of Toronto, O., and well known local agent there, died in the Hamot Hospital, Erie, Pa., where he was scheduled to undergo an operation. He was 67 years of age. Mr. Smith had been in the insurance business since 1888, the year in which he became associated with the New Cumberland, W. Va., firm of Smith, Bradley & Smith. In 1891 he purchased the Toronto branch of that firm, from which time this agency was known as the H. H. Smith Insurance & Real Estate Agency. He was one of the outstanding agents of the Ohio river district in Jefferson county.

**F. P. Leonard**, Cook county manager Girard Fire & Marine, has gone to Long Beach, Cal., on a vacation and to look over his property there. Mr. Leonard states that he plans to make an exhaustive first hand study of earthquake prevention providing he doesn't get caught in one.

**Mrs. Jennie Sue Daniel** of New York City, editor of the "American Agency Bulletin," organ of the National Association of Insurance Agents, is confined to her home on account of an infection. She is now recuperating. Mrs. Daniel is widely known to insurance people and especially those connected with the association movement.

**Thomas S. Deering**, assistant manager of the Atlantic marine department of the Fireman's Fund, New York City, was in Chicago on a tour of the middle western department.

Insurance Superintendent **Ernest Palmer** of Illinois attended the commencement exercises at Lake Forest University, Lake Forest, Ill., last Saturday. Mr. Palmer is a graduate of Lake Forest Academy of the class of 1903 and Lake Forest University, class of 1907. He taught in the academy after graduating. He then took the law course in Northwestern University. Last Saturday was the 75th anniversary of the academy. Stephen Leacock of McGill University, Montreal, well known humorist, was the chief speaker. Mr. Palmer responded for the alumni.

**Elliott Middleton** of New York City, United States secretary of the Sun, who has been elected vice-president of the Southeastern Underwriters Association, has had an extended and well rounded

experience as a fire underwriter. As a youngster he was employed in the western department offices of the Aetna at Cincinnati, later becoming manager of various inspection and rating bureaus in the west, south and east. His appointment as an official of the Sun in 1922 brought him into the executive circle, where he is held in high esteem both for his professional and personal qualities.

**Dudley Cates** of Chicago, vice-president of Marsh & McLennan, has been appointed as assistant to Gen. Hugh Johnson, head of the National Industries Board. Mr. Cates is now in Washington and is on a leave of absence from Marsh & McLennan. He has been connected with that organization for 10 years. During the war he was secretary of the capital issues committee. Before the war he was in the banking business in San Francisco.

He was appointed, not as an insurance adviser to Gen. Johnson, but because of his industrial and banking knowledge.

In his Chicago office Mr. Cates has one of the largest and most unusual collections of pictures of the Chicago fire in existence.

**George A. Olson**, Albuquerque, N. M., branch manager of the Fire Companies Adjustment Bureau, was taken to Denver last week and operated on for removal of the appendix and ulcers of the stomach. He was in critical condition, but his chances of recovery are considered favorable.

**R. A. Napier**, head of the Chicago local agency bearing his name, is widely known in the Chicago area as a grower of peonies. His garden at Blue Island, Ill., is one of the show places of the southwest side. He recently entered some of his finest specimens in a flower show at the Century of Progress Exposition. Of the 14 peonies that Mr. Napier exhibited, he won 12 first prizes, one second prize and one third prize. He was awarded a special gold medal for the finest exhibit. Each year Mr. Napier invites a number of his personal friends to Blue Island to see his flowers.

**Stewart B. Hopps** of the United States head office of the Pearl Assurance of London is still in a hospital in New York City, recovering from a severe operation for sinus trouble, with which he has been afflicted for a considerable time. It is expected two weeks will elapse before he will be able to return to his desk.

**C. R. Street**, vice-president and western manager of the Great American, is back at his desk after having been laid up for more than two weeks with an illness which threatened to turn into pneumonia. Except for two days on a previous occasion, this was the first time Mr. Street had been kept from his office by illness since 1883. Mr. Street plans shortly to go to Banff for a rest and to regain his strength.

**Gordon Finley**, who is connected with the Webster-Heskett Agency of Danville, Ill., is the author of an article in a Danville newspaper, analyzing the deposit guaranty feature of the Glass-Steagall banking act. Mr. Finley recites the details of the project and then gives some of the arguments both for and against the plan.

The **Standard Insurance Agency** of Jamestown, N. Y., is celebrating its 25th anniversary next Saturday by giving a luncheon at the Norden Club and a Swedish smorgasbord at Woodlawn-on-Chautauqua Lake at 7 p. m., in celebration of the occasion.



## STATEMENT, DECEMBER 31, 1932

## CORROON &amp; REYNOLDS' GROUP

**American Equitable Assurance  
Company of New York**  
Organized 1918

**Globe & Republic Insurance  
Company of America**  
Philadelphia, Pa. Established 1862

**Knickerbocker Insurance Company  
of New York**  
Organized 1913

**New York Fire Insurance Company**  
Incorporated 1832

**Merchants and Manufacturers Fire  
Insurance Company**  
Newark, N. J. Chartered 1849

ASSETS	AMERICAN EQUITABLE	KNICKERBOCKER	NEW YORK FIRE	MERCHANTS AND MANUFACTURERS	GLOBE & REPUBLIC
Cash .....	\$ 1,016,697.53	\$ 511,472.66	\$ 549,577.21	\$ 371,032.74	\$ 616,917.96
*U. S. Government Bonds.....	399,097.93	170,971.81	161,322.17	201,661.51	403,517.16
*Other Bonds and Stocks.....	9,039,251.05	4,067,313.19	5,072,372.36	3,170,531.06	5,277,661.11
Real Estate .....	.....	.....	.....	.....	375,705.13
Mortgage Loans .....	128,950.00	229,755.00	273,650.00	.....	24,500.00
Premiums and Accounts Receivable	460,981.07	33,112.69	402,453.03	213,572.21	442,744.86
Reinsurance Receivable .....	76,328.27	48,501.43	1,851.03	1,434.30	7,218.71
Accrued Interest .....	35,179.55	17,937.83	29,400.08	18,473.91	28,066.64
<b>TOTALS .....</b>	<b>\$11,156,485.40</b>	<b>\$5,079,084.61</b>	<b>\$6,490,625.88</b>	<b>\$3,976,705.73</b>	<b>\$7,176,331.57</b>
<b>LIABILITIES</b>					
Reserve for Unearned Premiums...\$	4,753,259.27	\$1,661,013.55	\$2,260,291.14	\$1,562,260.04	\$3,058,040.95
Reserve for Losses.....	777,866.94	272,680.87	367,770.84	255,127.93	497,742.18
Reserve for all other Liabilities....	194,686.54	34,623.06	46,388.07	**199,276.97	62,161.94
Reserve for Contingencies.....	2,015,326.04	1,046,304.65	1,208,468.24	150,009.33	1,017,224.33
Capital .....	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Surplus .....	2,415,346.61	1,064,462.48	1,607,707.59	810,031.46	1,541,162.17
<b>TOTALS .....</b>	<b>\$11,156,485.40</b>	<b>\$5,079,084.61</b>	<b>\$6,490,625.88</b>	<b>\$3,976,705.73</b>	<b>\$7,176,331.57</b>

**LOSSES PAID SINCE ORGANIZATION EXCEED .....\$150,000,000.00**

## CORROON &amp; REYNOLDS

*Incorporated*

## INSURANCE UNDERWRITERS

*Manager*

92 WILLIAM STREET, NEW YORK, N. Y.

\*National Convention of Insurance Commissioners' Basis used for Security Valuations.

\*\*Includes Amount Due Wholly Owned Subsidiary.



# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Final Payments Being Made

#### End of Controversy That Involved a Gas Explosion Causing Havoc in Beloit, Wis.

Final payments are being made on the famous Chester store block loss at Beloit, Wis., which was badly damaged by an explosion Dec. 5, 1930. There were other adjacent buildings that were badly shattered by the explosion. This case attracted wide attention because the companies contested the claim on the ground that it was caused by an explosion of gas from an outside main. Insurance Commissioner Mortensen took a hand, insisting that the companies pay the loss to the assured and then fight it out with the public utilities company. The fire companies refused to do this unless they were fully protected by the assured. The case was carried up to the Wisconsin supreme court and essentially won by the companies. It was remanded for a new trial because of improper instruction by the trial judge. The gas company, however, agreed on a compromise rather than go to further expense of litigation. The fire companies paid 33 1/3 percent of the damage and the gas company paid the rest and all excess loss above the insurance. This claim received wide attention and much feeling was engendered owing to the conflict of interests.

### Michigan Department Gets Better Budget at Finish

LANSING, MICH., June 21.—The budget bill, as finally passed by the legislature added \$5,000 to the Michigan department's appropriation for personal service, boosted the commissioner's salary from \$4,000 to \$5,000, the old figure, and restored the revolving fund of \$5,000, which makes possible participation in examination of companies outside the state. Had the original reduced budget gone through it would have been necessary to halt all participation in convention examinations and the examining force for work inside the state would necessarily have been cut.

Several laws were enacted to make more easily available to Michigan companies loans from the Reconstruction Finance Corporation. One permits purchase of any required stock in governmental agencies and another permits issuance of preferred stock by companies. Another act prevents receivership, injunction or dissolution proceedings from being brought against companies except through the commissioner and attorney general.

Several farm mutual acts were passed, one setting up a uniform farm fire policy, another requiring farm mutual agents to obtain licenses, and a third raising from 5,000 to 5,500 the size of communities in which such carriers can accept business.

### Farm Agents Discuss Issues

Opinion was expressed at the semi-annual meeting of the Illinois Farm Insurance Agents' Association at Peoria that loss adjustment expenses are too high and that economy should be practiced in this respect. The association expressed the belief that it could be and desired to be of assistance in reducing the loss adjustment expense.

The association expressed appreciation of the services and cooperation of the Farm Underwriters' Association during the difficulties of the past few years and

the opinion was expressed that much has been accomplished toward perpetuating the farm business through such cooperation.

The association discussed and recommended that all agents continue to cooperate with the companies by making careful inspections, using precaution in selection of risks and assisting the companies in their underwriting.

The fact was brought out that farm agents have been put to much additional road expense during the past few years. The agents were optimistic, feeling that the farm insurance business will increase as farm commodity prices advance.

### La Crosse Continues Stock Cover

LA CROSSE, WIS., June 21.—After hearing representatives of stock companies and agencies as well as of the state insurance fund, the county board of supervisors voted unanimously to continue all county insurance with the 40 stock companies having agents in this city. The county tornado insurance, based on \$586,000 valuation is about to be renewed.

### Upper Peninsula Meeting

The annual meeting of the Upper Peninsula Association of Insurance Agents is to be held in Ishpeming, Mich., July 29. Plans for the meeting are in charge of O. B. Lafreniere, president of the association; James Flaa, vice-president; O. R. Sandell, secretary, and Arnold Sundblad. A short business meeting will be held in the morning and the afternoon will be left open for entertainment. In the evening there will be a banquet and dance.

The agents are inviting any member of the Michigan Association of Insurance Agents and Michigan field men to attend.

### Adopts Coinsurance Plan

WISCONSIN RAPIDS, WIS., June 21.—At the June meeting of the board of education it was voted to adopt the coinsurance plan on school buildings and fixtures, which has been considered by the board for more than a year. By taking out a blanket policy, which will be then apportioned among the several local agencies, and insuring under the 80 percent coinsurance clause after revaluation of the property, the board will be able to make a saving over the present premium costs while retaining ample protection. The Lloyd-Thomas Company, Chicago appraisal firm, was awarded the contract for appraising all of the school properties.

### Missouri Council Drive

ST. LOUIS, June 21.—The Missouri Insurance Council, headed by Carl S. Lawton of the Lawton-Byrne-Bruner Insurance Agency of St. Louis, has perfected plans for a state-wide drive to increase the efficiency of the organization to as near 100 percent as possible. Field men for all fire and casualty companies are expected to cooperate. Anthony A. Buford, general counsel, will be in charge of the details of the campaign.

### Dodge County Outing

BEAVER DAM, WIS., June 21.—The Dodge County Association of Insurance Agents held an outing and meeting at the Old Hickory Golf Club here.

An unusual incident occurred during the course of play. L. F. Oswalt, of Beloit, and A. C. Gibbs, of Columbus,

### Separation Ruling Is in Full Effect in St. Louis

ST. LOUIS, June 21.—The Fire Underwriters Association of St. Louis reports that all companies have come into line on the ruling against any company in a fleet having a non-member agency. The dead line for the compliance was last week and the executive committee announced that all member agencies cleared their offices at that time. The rule provides that members of the association can not represent any company which either directly or indirectly controls or manages any other company which has an agent in St. Louis who is not a member of the association.

were driving in opposite directions. The balls met in mid-air, resulting in "out-of-bounds" for Gibbs, but assisted Oswalt's play to help him tie for first place with William J. Tucker, also of Beloit and president of the Wisconsin Association of Insurance Agents.

President Ernst Neitzel, Horicon, presided at the meeting. Principal speakers were President Tucker and J. G. Grundle, Milwaukee, secretary-treasurer state association.

### Licenses Are Renewed

The Underwriters Fire Patrol of Kansas City has just renewed its city and state franchises for a period of 30 and 50 years respectively. The local fire patrol committee has purchased a new model 620 White salvage wagon that will respond to all fires in the high value districts. The new wagon carries 100 waterproof tarpaulins, 15 sacks of sawdust, 6 firemen, chemicals, first aid kits, ladders, shovels, and all other necessary salvage corps equipment. W. H. Gardner is chief of patrols and has de-

signed his truck to carry all equipment inside of compartments or inside of the wagon, thereby preventing equipment being thrown off the truck while en route to fires. The body is of all steel construction.

### C. A. Swarm is Honored

A number of local and district farm agents of the Continental Fire gathered at Decatur, Ill., to honor C. A. Swarm of that city, for 25 years associated with the company. A gold pin significant of his quarter-century service was presented him. Among those present were M. L. Forrest, Decatur, of the farm department; James Lanoue, Chicago, and Joe Chapman, Mattoon, special agent.

### Milwaukee Agency Changes Name

MILWAUKEE, June 21.—Leedom, O'Connor & Noyes Co. has been adopted as the new name of the Leedom, Miller & Noyes Co., Milwaukee agency, founded in 1892 by the late James B. Leedom. Present members of the firm are Hampton B. Leedom, Arthur J. O'Connor, Haskell Noyes and L. C. Hilgemann. The name of Arthur J. O'Connor has been put into the firm name to replace that of George B. Miller who retired some 10 years ago. The founder of the agency, James B. Leedom, died last March.

### Opens Adjusting Office

The Minor Adjusting Service has been formed in the Fidelity National building, Kansas City, Mo., by Ray Minor, for five years with the Western Adjustment.

### Middle Western Notes

L. L. Brusletten, Wahpeton, N. D., for 40 years secretary-treasurer Home Mutual Fire, is dead.

Dunne Bellinger, for a number of years with the Gregory & Appel agency in Indianapolis as rating engineer, and before that with the Indiana Inspection Bureau, has opened an office in the Guaranty building as broker.

## IN THE SOUTHERN STATES

### Undecided on Virginia Case

#### Companies May Take Rate Plea to United States Supreme Court to Test Constitutionality

RICHMOND, VA., June 21.—The companies are undecided whether or not to take the Virginia fire rate case to the United States Supreme Court, after losing their appeal last week in the Virginia supreme court. The companies hold that the law by which the Virginia corporation commission reduced fire rates 8 1/3 percent in 1929, is unconstitutional. The companies contend the measure gives the corporation commission power to regulate rates for corporate companies but does not give it power to regulate rates for the same business when done by individuals, partnerships or unincorporated associations. This deprives the corporate companies of equal protection of the law in violation of the 14th amendment to the federal constitution.

#### Action Called Legislative

It is also claimed that the Virginia statute and laws in other states do not give the companies a fair opportunity to submit rate changes for judicial review and do not comply with the constitutional requirements of due process of law because the commission in fixing the rates acted in a legislative ca-

capacity. The proceedings on appeal are likewise legislative in character and do not furnish opportunity for judicial determination of the question as to whether the rates are confiscatory.

The Virginia court of appeals held that the disposition of the question by the commission appeared reasonable and sound and was sufficient. Moreover it was held that the rates established are not confiscatory and the findings of the commission in framing them were clearly supported by the evidence. The court pointed out the rates were always subject to revision and if they proved to be inadequate or unjust the question can again be reopened before the commission. There were 158 stock fire companies involved in the litigation.

### Charge for Vacancy Permit Now Reduced in Oklahoma

OKLAHOMA CITY, June 21.—By approving the revised filing submitted by Manager C. T. Ingalls of the Oklahoma Inspection Bureau, the Oklahoma insurance board has reestablished the old system of computing fire insurance penalties on unoccupied dwellings. The previous filing had imposed a 5 cent per month rate increase for every \$100 of insurance on vacant dwellings in protected towns classed 1 to 8 inclusive and 6 cents per month in towns classed 9



# LOYALTY GROUP

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

### CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board

HENRY M. GRATZ, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board

W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.  
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

## UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCURE, 3d Vice Pres. T. A. SMITH, Jr., 3d Vice Pres. F. J. ROAN, 3d Vice Pres.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

### OF NEW YORK

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCURE, 3d Vice Pres.

## COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

**WESTERN DEPARTMENT**  
 844 Rush Street, Chicago, Illinois  
 HERBERT A. CLARK, Vice President  
 H. R. M. SMITH, Vice President  
 JAMES SMITH, Secretary

**CANADIAN DEPARTMENT**  
 461-467 Bay St., Toronto, Canada  
 MASSIE & RENWICK, Ltd., Managers

**EASTERN DEPARTMENT**  
 10 Park Place  
 NEWARK, NEW JERSEY

**PACIFIC DEPARTMENT**  
 220 Bush Street,  
 San Francisco, California  
 W. W. & E. G. POTTER, 2nd Vice Presidents  
 FRED W. SULLIVAN, Secretary  
**SOUTH-WESTERN DEPARTMENT**  
 912 Commerce St., Dallas, Texas  
 OLIN BROOKS, 2d Vice President  
 BEN LEE BOYNTON, Res. Vice President  
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL



and 10. This charge became effective after 60 days free vacancy, but no permit was issued for more than six months.

The revised filing reduces charges for dwellings after the first 60 days free permit to 3 percent for each \$100 of insurance for two months or fraction thereof in the 1st to 8th class protected towns. In the 9th and 10th class unprotected towns, the rate has been reduced to 8 cents for two months or less after the 60 day free vacancy, with no permit issued for more than 60 days.

It is optional whether these charges be paid and a permit granted, after the 60-day free vacancy, or the insurance reduced to 66 2/3 percent of the property value. The optional plan provides that the permit shall not exceed six months

at any one time after expiration of the free vacancy.

### Snyder Brothers Get Sentinel

LOUISVILLE, June 21.—Snyder Brothers General Agency, Louisville, has announced the addition of the Sentinel Fire of the Springfield group to its fleet of companies. The Sentinel heretofore has been handled by J. M. Rogers, state agent for the Springfield.

### Tighten Up Birmingham Rules

BIRMINGHAM, ALA., June 21.—A committee to redraft the constitution and by-laws of the Birmingham Association of Insurance Agents so as to make membership mean more was appointed by President Anglin White at the last

meeting. The proposal is to have each agent take a pledge to abide by the rules of the association before becoming a member and to furnish security to that effect, something similar to the system used by the New Orleans association.

This action was taken following complaints by some agents that the association is unable under the present set-up to curb malpractices in the fire and casualty business, including such problems as the part-time agent and brokering with non-member agents. An effort will be made to make Birmingham a 100 percent association city.

### Companies Are Thanked

The Dallas Insurance Agents Association has adopted a resolution of appreciation for the manner in which the losses as the result of a recent hailstorm in that city were settled. The resolution states that representatives of the companies were on the job before the hail quit falling and kept at work 14 and 16 hours a day. Satisfactory settlements were made in nearly every instance and losses paid as soon as possible without invoking the 60-day clause.

### San Antonio Exchange Meets

SAN ANTONIO, TEX., June 21.—At the San Antonio Insurance Exchange monthly meeting, with E. B. Ramsdell presiding, a rule to penalize agents who make errors in rates on policies was unanimously adopted.

A report on the annual meeting of the Texas Association of Insurance Agents at Corpus Christi was made by Arthur Randol and F. F. Ludolph.

### Augusta Board Elects

AUGUSTA, GA., June 21.—The Augusta Board at its annual meeting elected C. H. Cohen, president; J. C. Chessier, vice-president; W. F. Law, Jr., secretary-treasurer, and C. B. Matheny, W. S. Gardner and J. R. League, executive committee.

The board voted to have the Georgia Association of Insurance Agents push its fight for the automatic cancellation clause.

### Fidelity & Columbia Goes Ahead

LOUISVILLE, June 21.—L. F. Bosler, manager insurance department Fidelity & Columbia Trust Co., stated that company attorneys after close reading of the new federal banking act could find nothing in it to prevent the company from owning a fire company, and that at the meeting of directors tomorrow a request will be made for money to supply capital and surplus of the proposed new Fidelity & Columbia Insurance Co., a stock company, which would come into the Louisville Board.

### Marshal Would Halt Drilling

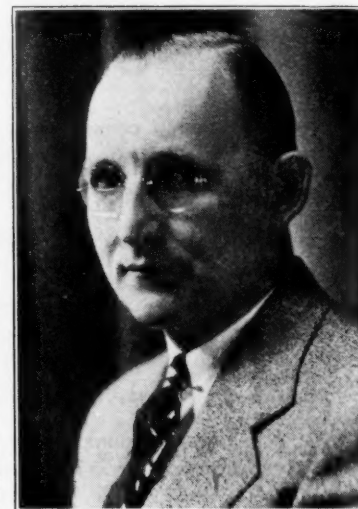
OKLAHOMA CITY, June 21.—Following the addition of the emergency clause to the ordinance passed by the city council which makes effective immediately the extended oil drilling zone, State Fire Marshal Jones announces he will take active steps toward preventing any attempt to drill in the previously prohibited areas on the basis of preserving the safety of life and property. The department has no authority to act until actual drilling is started.

The fire marshal has instructed the sheriff and his deputies to prevent drilling when started, and if this should not function effectively he indicated that he would appeal to the governor and the state militia would be called on.

C. H. Ruth, local attorney, has filed injunction proceedings to halt active drilling under the extensions. The main basis for the suit is the general fire hazard threatened in event drilling should become general in the area involved.

The companies are not expected to ask for any raise in rates in this territory but instead will cancel what insur-

## Again the Head



JOSEPH H. GAUSEPOHL, Covington, Ky.

J. H. Gausepohl, president of the Kentucky Association of Insurance Agents, who has long been prominent in the body and who served as secretary in days gone by, was reelected president at the annual meeting.

ance is now being carried. If insurance protection is withdrawn from property in this area, some of the best in the city will be left without insurance.

### Regional Meeting at Ardmore

Secretary Mott M. Keys of the Oklahoma Association of Insurers announces a regional meeting at Ardmore June 23. No set program will be given but the meeting will crystallize into a round table discussion of the particular problems facing the local agents of that part of the state. President Vernon V. Sills of Ponca City and E. W. Clarke, president Associated Fire & Casualty Underwriters of Oklahoma City, will assist in leading the discussions.

### Kentucky Bureau Changes

LOUISVILLE, June 21.—J. R. Snyder, formerly manager of the Owensboro, Ky., branch office of the Kentucky Actuarial Bureau, who was transferred to the engineering department at Louisville when the Owensboro branch was closed early this year, has been sent to Paducah, Ky., as manager there. B. F. Russell, who has managed the Paducah office, rejoins the engineering department at Louisville.

### Kentucky Executive Committee

LOUISVILLE, June 21.—Following the annual meeting here of the Kentucky Association of Insurance Agents, J. H. Gausepohl, Covington, reelected president, named his new executive committee, which is composed of N. I. Taylor, Burnside; H. B. Wilson, Irvine; C. J. Smith, Lexington, all past presidents, and D. H. Putnam, Ashland, holdover members; Dwight Peel, Benton; J. S. Long, Louisville, and J. C. Riddle, Madisonville.

### Southern Notes

R. K. and W. H. McClure, operating the McClure Insurance Agency at Frankfort, Ky., have purchased the agency of Frank Hewitt, established in 1899.

D. A. Shipp, Hodgenville, Ky., has been appointed district manager of the State Automobile Mutual of Ohio and will be stationed in Glasgow, Ky.

Miss Anna Van Cleef has opened a local agency in DeLand, Fla., to represent the Citizens of New Jersey, State of Pennsylvania and Employers Liability. For a number of years she was connected with the Arthur Lane agency in DeLand.

# QUALIFICATIONS FOR THE JOB

In picking men—or your Insurance Carriers—you have certain qualification requirements!

Does the man or company fit your personal needs?

THE KANSAS CITY FIRE and MARINE INSURANCE COMPANY emphasizes these, as our qualifications: (1) integrity to meet the most exacting requirements; (2) careful management to insure a good financial condition; and (3) most important, actual agency experience of both officials and other employees.

This agency experience has given us the practical knowledge necessary to serve agents with understanding and in the way they require.

We invite your inquiry as to how we can serve you!

Organized and managed by R. B. Jones & Sons Inc., Kansas City, Chicago

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## PACIFIC COAST AND MOUNTAIN

### Earthquake Group Reports

#### Recommend Police Power and Public Opinion to Effect Program of Strengthening Buildings

LOS ANGELES, June 21.—A preliminary report issued by the joint technical committee on earthquake protection recommends the mobilization of police power, backed by strong public opinion, to effect a broad program of strengthening of all buildings against future earthquake damage.

The committee, headed by Dr. R. A. Millikan, California Institute of Technology, issued an outline report after three months of intensive study of the effects of the March earthquake. "Experience in cities where severe earthquakes have occurred has led us to the conclusion," the report read, "that reasonable protection against earthquakes can be obtained, provided that the building or other structure is properly designed and constructed. In so far as the police power of the state will permit, it should be required that all privately owned existing buildings be made earthquake resistant."

"Strengthening of public buildings, however, is subject to the will of the people, and there should be no delay in making these buildings, particularly school buildings, safe."

Coincident with the issuance of the report of the committee, Assessor E. W. Hopkins made public a survey showing quake damage to buildings in Los Angeles county amounted to \$4,187,980, based on assessed valuation, which is about 50 percent of actual or real value. Damage in the city of Long Beach, hardest hit by the earthquake, was \$2,544,590, and in Los Angeles it was \$696,220. Compton suffered \$267,150 damage, and Huntington Park \$191,440.

#### No Successor for Parrish

SAN FRANCISCO, June 21.—No successor has been named to Edwin Parrish, chairman of the executive committee of the Pacific Board, who is retiring as vice-president of the America Fore at San Francisco.

John C. Dornin, Pacific Coast manager Springfield Fire & Marine, has been elected chairman of the Washington advisory committee, succeeding Mr. Parrish. H. F. Mills, Pacific Coast manager for the Aetna, will succeed Mr. Dornin as vice-chairman.

#### To Eliminate Curbstone Agents

SEATTLE, June 21.—Having failed in two attempts to secure the passage of an agents' qualification law, the Insurance Agents League of Washington is now concentrating on eliminating part-time and "curbstone" agents through the voluntary action of the insurance department. The department is preparing to survey a list of agents doing business in the state, with a view of canceling licenses of those who are obviously doing a limited volume of business, representing in most cases controlled business. Local boards throughout the state have furnished the department considerable data, and will cooperate in eliminating incompetent and part-time agents.

#### Advisory Committee Chosen

DENVER, June 21.—New members of the advisory committee of the mountain department of the Fire Companies Adjustment Bureau were chosen at the annual meeting last week. They are E. I. Crockett, Pueblo, special agent Crum & Forster; W. E. McCullough, Denver, manager mountain department Millers National, Dubuque F. & M. and others; H. A. Amenette, Denver, state

agent St. Paul Fire & Marine. Those reelected are C. F. Cashman, Cashman & Evans general agency; F. R. Lanagan, president Daly General Agency, and Roy Harris, state agent Hartford, all of Denver.

Holdover members are W. L. Braerton, Clarence Cobb, E. M. Brewster, Jr., and H. P. Giberson, all Denver general agents; Howard Reynolds, state agent Home, and A. J. Lehwaldt, special agent America Fore, both of Denver. The advisory committee also includes the members of the Mountain Field Club's loss committee.

#### Utah Mid-Year Meeting

SALT LAKE CITY, June 21.—The mid-year meeting of the Utah Association of Insurance Agents will be held in Ogden on June 24. President C. C. Gaskill of the association will preside. James Rogers of Salt Lake City, chairman of the Utah committee, will report on the committee's activities. Commissioner Elias A. Smith, Jr., will give an address. Eugene M. Cannon, secretary-treasurer of the association, will give his report, as will the chairman of the local groups of the state association and various committee chairmen.

Guest speakers will be H. F. Badger, secretary Pacific Board, and H. L. Simpson, associate manager Connecticut Fire, both from San Francisco, and Paul Bistline of the Bistline-Turner Agency, Pocatello, Ida.

#### Olds Succeeds Currey

Kelsey Olds has been appointed manager of the southern California branch at Los Angeles of Henley & Scott, general agents, succeeding C. E. Currey. Mr. Olds has been with Henley & Scott more than a year and was formerly with the Aetna in Los Angeles for seven years.

#### Woolley Attends Conference

SAN FRANCISCO, June 21.—J. K. Woolley, manager of the Washington Survey & Rating Bureau, was here in conference with officials of the Pacific Board's Washington advisory committee, of which John C. Dornin, Springfield Fire & Marine, has been appointed chairman succeeding Edwin Parrish, retired.

### Eastern States Activities

#### New Laws in Pennsylvania

Last Session of Legislature Enacted 20 Bills Affecting Fire and Casualty —None Are Harmful

Of the 137 bills affecting fire and casualty insurance introduced in the present Pennsylvania legislature in its session now adjourned, only 20 were enacted, none of these being regarded as harmful to the business.

Among the more important new laws was the automobile financial responsibility act; a measure providing a special fund for compensation insurance for persons working on the unemployment relief roll; another placing mortgage guarantee and title companies under jurisdiction of the insurance department; a law providing that premiums and judgments on compensation policies are preferred claims in case of bankruptcy and one fixing the minimum par value of shares of the capital stock of stock companies.

The state compensation fund was placed under the jurisdiction of the in-

## FINANCIAL SECURITY

*Plus*

SOUND PRINCIPLES OF BUSINESS DETERMINES CHARACTER



Will Wright  
Field Correspondent

THE YORKSHIRE  
INSURANCE CO. LTD  
LONDON & PROVINCIAL  
MARINE & GENERAL INS. CO. LTD  
SEA BOARD  
FIRE & MARINE AND THE  
YORKSHIRE  
INDEMNITY CO. OF N.Y.

90 JOHN STREET - - NEW YORK CITY

### NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY

ATTRACTIVE PICTURES AND  
SALES CAPTIONS  
that help you sell more insurance

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Send 10 cents today and get a sample of the NEW  
1933 National Underwriter Insurance Calendar, A-1946  
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# 1794 1933

## THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA PHILADELPHIA, PA.

### Annual Statement January 1, 1933

Reserve for Unearned Premiums.....	\$1,876,876.24
Reserve for Losses, etc.....	545,856.36
Contingency Reserve .....	1,650,000.00
CASH CAPITAL .....	1,000,000.00
NET SURPLUS .....	1,104,342.43

TOTAL ASSETS .....	\$6,177,075.03
SURPLUS TO POLICYHOLDERS...	\$2,104,342.43

**Acquire  
THE OLD "STATE OF PENN"**

### More Assets Better Assets Greater Liquidity

#### ANNUAL STATEMENT December 31, 1932

##### ASSETS

Cash in Banks.....	\$ 273,447.02
U. S. Bonds and Treasury Notes.....	319,741.00
Other Bonds .....	236,657.50
Stocks .....	1,367,555.22
Mortgage Loans .....	213,780.95
Collateral Loans .....	86,607.33
Due from Agents and Other Companies (Not over 90 days old).....	269,391.64
Real Estate .....	186,778.46
Accrued Interest .....	14,481.66
Other Admitted Assets.....	13,871.64
Total .....	\$2,982,312.42

##### LIABILITIES

Reserve for Unearned Premiums.....	\$ 856,199.06
Reserve for Losses.....	66,366.23
Reserve for Taxes.....	18,000.00
Due to Other Companies.....	28,882.03
Other Liabilities .....	1,609.78
Cash Capital .....	1,000,000.00
Net Surplus .....	1,011,255.32
Total .....	\$2,982,312.42

All bonds carried at amortized values. All listed stocks carried at market, Dec. 31, 1932. All other stocks carried at values fixed by Texas Insurance Department Examiners.

#### COMPARISON WITH LAST YEAR

	1931	1932
Net Premiums Written.....	\$ 870,180.02	\$1,052,478.87
Reserve for Unearned Premiums.....	722,544.22	856,199.06
Assets .....	2,940,492.14	2,982,312.42
Surplus to Policyholders.....	2,017,740.88	2,011,255.32

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insurance department. A standard provision to the effect that bankruptcy of the assured does not release the insurer from liability is required to be inserted in indemnity policies under another act.

Another law requires domestic companies to pay the tax on premiums ceded as reinsurance to foreign companies unless the foreign companies pay the tax. The retaliatory law was amended to give Pennsylvania power to retaliate against laws of other states in connection with resident agents and license fees for foreign brokers.

Bills were signed providing for an investigation of the insurance department and creating a joint legislative committee to study the insurance laws and the proposed insurance code introduced during these sessions.

Heretofore there was no law requiring the payment of commissions on any line except fire. The legislature corrected that to require payment of commissions for casualty and other lines.

### Interpretation of New Law by Commissioner Armstrong

Commissioner Armstrong of Pennsylvania has issued an interpretation of the new Pennsylvania law governing publication, printing or radio broadcasting of insurance advertisements or notices.

Mr. Armstrong advises that no advertisement may be published or broadcast on behalf of any insurance company or agent unless they are properly authorized in Pennsylvania and the advertising medium has proper knowledge of the existence of such authority.

In the case of insurance companies, a certification from the insurance department that the insurer is authorized to do business in the state must accompany the copy of the advertisement. The fee for certification of each certificate of authority or license is \$2.

Advertisements placed by agents or brokers for their own business need not be accompanied by a form of certificate but the license issued to such agent or broker will serve as sufficient evidence of authority. The department will confirm issuance of agents' or brokers' licenses without charge.

In printed advertisements or notices it is not necessary to include certification of authority of the advertiser but in radio broadcasting there must be a statement to the effect that the broadcasting station holds such certificate.

### Philadelphia Agents Cite Grievances to the E. U. A.

Request has been made to the Eastern Underwriters Association by the Philadelphia Insurance Agents Association that the commission arrangement supported in the Philadelphia suburban

area be made applicable to the city of Philadelphia. The suburban scale is: 30 percent to policy writing agents and 10 percent contingent and 20 percent commission to non-policy-writing agents and brokers without contingent.

The communication to the E. U. A. contends that the Philadelphia agents should get at least as high commissions on protected business as is paid on suburban business, which includes high valued country homes, farm property and special hazards outside of protection.

The Philadelphia agents also urge that adjustments be made in the alleged unequal competition in Philadelphia between local companies with their branch offices and agents representing outside companies. Local companies, the agents state, have thousands of solicitors who are actually agents operating under what the companies consider limited authority.

The letter to the E. U. A. is signed by H. H. Kinney, secretary of the Philadelphia association.

### Code Chairman Named

HARRISBURG, PA., June 21.—Louis G. Schwartz, Philadelphia, has been chosen chairman of the legislative committee to draft a new insurance code for Pennsylvania. The committee was authorized by the recent session of the general assembly and is to file its report in 1935.

### Qualification Bill Again Beaten

NEWARK, June 21.—The agents and brokers qualification act has met its fourth defeat in the legislature. The measure was rewritten and approved by a number of insurance executives, but at the last minute strong opposition made its appearance and the act was killed. Another attempt will be made to put it through at the next session of the New Jersey legislature. The New Jersey Association of Underwriters and every local board throughout the state were behind the measure.

The guest liability measure also failed to pass in spite of the pressure brought to bear on the part of automobile underwriters and executives.

### Essex Board Closing Meeting

NEWARK, June 21.—President Julius Klein of the Essex County Board announces that its last meeting of the season will be held June 27. The organization, which was formed several months ago, succeeding the Newark Board of Fire Underwriters, is increasing rapidly in membership.

The Frank J. Rice & Co. agency, New Haven, Conn., has incorporated. Mildred M. Rice is president; Charlotte W. Rice, vice-president, and R. E. Herman, secretary-treasurer.

## MARINE INSURANCE NEWS

### Yacht Moral Hazard Is Eyed

#### Agents Advised to Give Companies at the Outset Complete Information Desired by Underwriter

NEW YORK, June 21.—Agents placing business on yachts and motor boats find companies scrutinizing these risks very carefully from a moral hazard standpoint, and can often save themselves considerable time and needless correspondence by giving at the outset all possible information that would aid the home office underwriter in deciding on this aspect of the case. Because of the demoralized state of the market on these craft, as compared with the price when new or prevailing a few years ago, underwriters must know when the boat was purchased and the price paid for it.

This low present valuation brings in a partial-loss hazard which frequently

makes it necessary for the company to charge more than the yacht manual rate. For this reason it is usually wiser for the agent to refrain from quoting actual rates to the prospect until he has consulted the home office.

The principal types of motorboat and yacht coverages are first, fire only, which covers the boat whether afloat or ashore; second, marine insurance, which includes fire, and "perils of the seas," such as sinking, stranding, damage by heavy weather, damage by collisions sustained or liability for damage done to another vessel. A third type is known as "protection and indemnity," which covers liability not covered by the regular marine form, such as damage to docks, harbors, etc., and injury or loss of life to crew or others aboard the boat or on other boats. On vessels of 18 tons net and over, insurance is compulsory to protect tradespeople and others who might come aboard on business or by being hired. Owners some-



times think that this covers them as regards the crew or others aboard, but this is not the case.

### Maine Resident Agent Ruling

Fire companies licensed in Maine have been notified by the department that to be effective all policies covering in the state must be countersigned by a resident agent and further that no power of attorney given an individual can be substituted for an agent's license granted by the state.

### Property Damaged by Hail

Reports from all sections during the last few weeks have indicated numerous hail losses. Much of the damage fell on automobiles. Shingles and tiles on roofs, sidings of buildings, etc., have been damaged. In most cases agents have not had the hail coverage attached to tornado policies and hence the loss fell on policyholders.

### New York Meeting at Syracuse

The annual meeting of the Underwriters Association of New York State will be held at Syracuse, July 11, the executive committee meeting the preceding day.

### Transferred to New Orleans

NEW ORLEANS, June 21.—South Carolina, Georgia, Florida and Alabama, formerly under the jurisdiction of the Atlanta office, have been added to the southern branch of the Marine Office of America in this city, of which J. Kenneth Sadler is manager. Heretofore the New Orleans office supervised only Louisiana, Mississippi, Texas and Arkansas.

### Staff Committee Meets

BROOKLYN, June 21.—The staff committee of the National Automobile Underwriters Association is in session here reviewing matters of interest that have accumulated in recent months, and which it is desirable to dispose of before the fall gathering. In addition to Actuary A. J. Donohue, those in attendance are: R. M. Herring, E. L. Rickards, Claude Patterson and A. Hodgkinson, secretaries of the eastern, western, southern and Pacific Coast branches respectively.

### Loss Ratio Has Been Reduced

If the premium income of the automobile companies is not what underwriters hoped it would be thus far in 1933, the great majority of the popular priced cars now being sold going to offices having arrangements with financing concerns, consolation is found in the reduced number of losses reported, these having dropped appreciably within the past few months.

### Verdict Against London Lloyds

NEW YORK, June 21.—Holding that the loss through theft of \$123,548 from the Colonial Bank, prior to its merger with the Bank of the United States of this city in April, 1929, occurred while the fidelity bond of London Lloyds was in force, the supreme court gave verdict for the amount against the individual underwriters. The National Surety, whose bond replaced that of London Lloyds, was released from liability.

### Ledbetter & Page Reorganize

Ledbetter & Page, New Orleans is being liquidated and the former members of the firm have organized a new corporation to be known as Ledbetter & Page Insurance Agency, Inc. In the past they operated as general and local agents, but in future will restrict their operations to the local field.

Taylor & Heinrich is a new agency in Richmond, Va. R. G. Taylor is president; T. O. Heinrich, vice-president; A. H. Felthaus, secretary.

## Insurance Studies U. S. Recovery Act

(CONTINUED FROM PAGE 3)

out conflict with the anti-compact laws of a number of states.

The only fear executives have of too close contact with the federal government is that it might be extended from time to time until eventually control would be lost to the underwriters. For that reason many insurance men regret the sanction given by Congress to the Reconstruction Finance Corporation to become a stockholder in insurance corporations, holding that through such course the government would indirectly embark in the business and might eventually engage in it in a large way, thereby supplying competition that private capital would find extreme difficulty meeting.

That underwriters are in the dark as to the extent, if at all, to which the terms of the trade regulation act, will affect the insurance business, is not surprising, for it is doubtful if those charged with the application of the law are themselves clear as to many of its provisions. It is not to be wondered at that a measure so radical in character, was drawn along broad lines only, and without attempt at being specific. So far as insurance men have been able to understand the voluminous act, they find nothing in it that would prejudice the conduct of the business, but instead incline to the belief that it might be beneficial along certain lines; always with the proviso that it does not prove the entering wedge of the government into the realm of direct underwriting.

### Sharp Division Seen

The prediction can probably be made safely that unless insurance voluntarily prepares a code and offers to submit itself to the operations of the national recovery act, the federal government will not reach out to bring insurance under the act. Because of the sharp division among insurance men as to the desirability of coming under the act, it seems doubtful that insurance will thus offer itself. Many insurance men are in a state of doubt as to whether the business should thus be controlled, but many leaders in the business have decided opinions and these opinions clash.

Some of those favoring the step believe that the insurance business would stand a better chance of being permitted to operate unobstructed if there were centralized authority. Those, holding to this position, feel that if one man were in authority, measures destructive to insurance would not be adopted, because even if that one man were radically inclined, there would be some strong forces in the administration to hold him in line.

### Subject to Attack

Under the present system, this argument goes, the companies are subject to attack from the commissioners of 48 states. The damage that is done by a commissioner here and there with a pet grievance does not destroy the entire insurance structure, but it does keep chipping the business continually.

On the other hand, those who are opposed to insurance being placed under the national recovery act, feel that the chipping by individual commissioners here and there is less serious than the danger of a central authority adopting some sweeping course that would strike at the roots of the business and affect it nationally. By and large, the older men in the business are the ones who are most strongly opposed to the plan of having insurance come under the purview of General Johnson's organization. These men have learned how to get along under the existing system and they fear any radical departure.

Even those who are opposed to the idea, express the hope that an indi-

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rect effect of the national recovery act, inasmuch as it nullifies certain features of the Sherman anti-trust law, may be that some of the states may relax their stringent anti-discrimination vigilance. The anti-compact statutes in the various states are invoked very often in far fetched manner and although the companies constantly have these laws in mind, they are sometimes caught off their guard. These laws impede the companies in many cooperative efforts for the betterment of business.

## Pennsylvania Men at Atlantic City

(CONTINUED FROM PAGE 5)

and-tens" have of late been cooperating much better with the laboratory in the selling of safe electrical equipment. Mr. Muldaur cited one case where a manufacturer made lamp cord on which the only "insulation" was a thin winding of rayon between the two wires, and another winding outside that.

Describing the work of the National Bureau of Casualty & Surety Underwriters, R. C. Mead, assistant manager of the bureau's automobile department, made a plea for the support of bureau companies because of their efforts to maintain fair and adequate rates, and to promote sound and ethical underwriting and competitive practices.

### Points Out Rate Inadequacy

Mr. Mead called attention to the competition of non-bureau companies which cut rates 10, 15 or even 25 percent, saying that a rate inadequacy of only 5 percent countrywide would produce an underwriting loss of \$10,000,000 that would have to be absorbed by the stock casualty companies writing automobile insurance.

The question of emergency regulations of policy loans and surrender values was dealt with by George R. White, actuary Penn Mutual Life. He said greater attention of companies to their respective investment policies would be a better guarantee against the need of future emergency regulations than any attempt to legislate such safeguards.

### Industrial Round Table

At the industrial accident and health round table, the speakers were E. F. Stenz, general manager Superior Life Health & Accident; George Sutton, secretary-treasurer Progressive Life, Health & Accident, and Albert Ries, secretary United Friends Beneficial Society and Philadelphia Mutual Aid Society. The meeting was conducted by E. R. Deaver, president of the Progressive. The session was under the auspices of the Philadelphia Health & Accident Alliance, of which G. W. Gilligan, Jr., is president.

At the federation's annual banquet Lowell Thomas, lecturer and war correspondent, spoke.

The following officers and directors were elected:

President—Alvin D. Beyer, Norristown.  
First Vice-President—Herman G. Scott, Pittsburgh.

Vice-Presidents—W. L. Anthony, Pittsburgh; F. D. Buser, Philadelphia; E. E. Cole, Jr., Pittsburgh; W. B. Corey, Philadelphia; G. R. Dette, Philadelphia; Thomas B. Donaldson, Newark, N. J.; W. Free-land Kendrick, Philadelphia; W. G. McBlain, York; W. E. Roehrs, Philadelphia; F. A. Service, Sharon; A. M. Waldron, Philadelphia.

Treasurer—J. D. Pharaoh, 2d, Philadelphia.

Secretary-Manager—H. W. Teamer, Philadelphia.

Assistant Secretary—M. H. Fireng, Philadelphia.

National Councilor—M. H. Dittenbaugh, Lancaster.

Assistant National Councilor—W. S. Diggs, Pittsburgh.

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Kingsley, Philadelphia; W. M. Reid, Pittsburgh; H. J. Stockton, Johnstown; and Vice-Presidents Scott, Anthony, Donaldson, Kendrick and Waldron.

New directors are: W. S. Kite, Philadelphia E. R. Deaver, Philadelphia; L. F. Miller, Reading; Dodd Bryan, Philadelphia; I. W. Fleck, Huntingdon.

Executive Committee—W. H. Kingsley, chairman; J. W. Donahue, Philadelphia, vice-chairman; H. C. Fry, Jr., Pittsburgh; W. M. Goodwin, Bethlehem; J. C. Murray, Pittsburgh; E. H. Schaeffer, Harrisburg; J. D. Smith, Philadelphia; and Messrs. Buser, Cole, Dette, Dittenbaugh, Diggs, Donaldson, Corey, Roehrs, Kendrick, McBlain and Waldron.

Ex-Officio: Messrs. Beyer, Scott and Pharaoh.

## Right of Accounting Against Wilson and Merritt Upheld

(CONTINUED FROM PAGE 5)

The Fire Company, he said, might have serious effect on the stocks of various fire and life companies which it owns, and thus depreciate its assets, which consist largely of these stocks.

Master Grossman urged that a practical working out of this alternative would require that the defendants make appearance very soon, that it be made possible to hold an accounting, that the assets of the fire company be conserved by injunction and that a representative of the court be appointed, with broad powers similar to but greater than those of the usual conservator.

### Gives Details of Transaction

The master brought out that cash assets in November, 1929, were \$2,418,872 and these have dwindled to \$3,000 at the present time without a single dividend being declared. He said the company was organized in August, 1929, with 80,000 authorized shares of \$62.50 par value. Chapman & Co., Chicago investment house which failed, purchased controlling interest of 45,000 shares, but the master stated put up only \$25 a share, the remainder of \$37.50 a share being credited on Chapman & Co.'s books to the insurance company. There were 35,000 shares of stock sold to the public at \$62.50 to raise capital and surplus, making total \$2,187,000.

The master stated shortly afterwards that Messrs. Wilson and Merritt made the agreement to take over the Fire Company. The holding companies controlled a number of other insurance companies. According to the finding, Wilson and Merritt purchased the 45,000 shares held by Chapman & Co. without putting up money and on the same day Wilson sold stock in the various insurance companies to the Fire Company of Chicago for \$2,163,251, out of which it was stated more than \$1,000,000 was used to pay off Chapman & Co.

### May Involve Other Defendants

Master Grossman stated: "I find that the plan and purposes in acquiring control of the Fire Insurance Company was not to operate that company for the benefit of the stockholders, but to get a majority of the cash of the company by selling to it stock in the possession of Wilson and Merritt." The announced purpose of the deal was to liquidate the company.

A possible right of action for an accounting might be against various other defendants, the master ruled. The accounting, it is expected, will be sought by the courts' representative, if and when one is appointed.

Twenty days are permitted for filing of exceptions to the report, and it was indicated exceptions will be filed. The defendants were said to disagree with the finding of facts.

### Wins World Fair Tickets

F. L. Godshall of Atlantic City is the winner this week of the book of world fair tickets, his being the first reservation received on Monday for accommodations at the annual meeting of the National Association of Insurance Agents in Chicago.

## PERSONALS

J. R. Wilbur of Evanston, Ill., former western manager of the America Fore companies, and now doing special work for the governing committee of the Western Underwriters Association, and Mrs. Wilbur announce the marriage of their daughter, Ruth, to William W. Simms. The ceremony was solemnized last Saturday evening in the chapel of the First Congregational Church of Evanston. There was a reception at the home of the bride's parents. Miss Virginia Wilbur, sister of the bride, served as maid of honor.

Henry F. McElroy, Jr., vice-president Kansas City Fire & Marine, and Miss Elizabeth Edwards Beasley of Nashville, Tenn., will be married in September.

J. W. Blanton, Sr., well known Dallas, Tex., general agent, accompanied by Mrs. Blanton, visited Chicago and the Century of Progress Exposition last week. They were en route home following a five months' trip around the world.

Miss Daisy-Holt Huffman of New York and Birmingham and Reynolds Pomeroy, president of the insurance firm of Reynolds, Pomeroy & Co., New York, were married last week in New York City.

### Miscellaneous Notes

C. D. Belding has retired from the Marr, Piper & Belding agency, El Paso, Tex.

The Hurt agency, Chanute, Kan., has become Hurt & Nobles, with the partnership of J. J. Hurt and Elmer Nobles.

Merrill & Lovell, St. Joseph, Mich., have taken over the English-Royer Agency of Benton Harbor. They recently took over the William Zapf agency.



IN times like these insurance agents appreciate a company which is not only financially strong, but which gives real sales help to its representatives. That is why our agents like the Twin City.

**TWIN CITY FIRE INSURANCE COMPANY**

John H. Griffin, Vice Pres. & Mgr.  
MINNEAPOLIS, MINNESOTA



"WESTERN  
AND  
SOUTHERN  
GROUP"



THE WESTERN AND SOUTHERN  
INDEMNITY COMPANY

Policyholders Surplus - - \$1,506,656.98

All Securities Valued at Market  
December 31, 1932

♦ ♦ ♦

THE WESTERN AND SOUTHERN  
FIRE INSURANCE COMPANY

Policyholders Surplus - - \$493,330.74

All Securities Valued at Market  
December 31, 1932

Charles F. Williams, Pres.

Cincinnati, Ohio

Address—William C. Safford, General Manager



# The National Underwriter

June 22, 1933

CASUALTY AND SURETY SECTION

Page Twenty-three

## Central West Men Form New Company

Great Lakes Casualty to Carry On  
—National Surety Plan Used

### CRAWFORD IS PRESIDENT

New Company Assumes Much of Loss Liability of Old Carrier, but Not Return Premium

DETROIT, June 21.—The Great Lakes Casualty has been organized under the laws of Michigan with a capital of \$300,000 and a surplus of \$200,000, consisting of cash and securities at market value. The new company will write automobile public liability, property damage and collision plate glass, burglary (excluding open stock) and all forms of public liability and will continue in force all forms of casualty written by the Central West Casualty, now in the hands of the Michigan department, except surety and fidelity bonds and accident and health insurance.

#### Crawford Is President

Armstrong Crawford, who was executive vice-president of the Central West, is president of the Great Lakes Casualty. H. J. Kennedy, for many years first vice-president of the Central West, is vice-president of the new company; Jay C. Ketchum, who has been an examiner for the Michigan department for the past seven years, is secretary-treasurer.

Mr. Ketchum gave up his duties as chief casualty examiner for the department upon his appointment as deputy custodian manager of the Central West and Wayne Surety in April. L. P. Schaft is assistant secretary-treasurer of the new company. Mr. Schaft held a similar position with the Central West.

The Great Lakes Casualty has received \$400,000 from the Central West Casualty for the continuation of policies which have not been canceled prior to or subsequent to April 4, 1933, provided that the payment of premium has been made to the Central West Casualty at its home office on or before 15 days from the above date.

#### Stock Held by State

The liability for all losses and claims occurring subsequent to April 4 on Central West Casualty policies, except bonds and accident and health policies, has been fully assumed by the Great Lakes Casualty and will be promptly paid. All losses occurring prior to 3:06 p. m. April 4, 1933 will be handled by the custodian of the Central West Casualty under the direction of the Michigan department. Taking a leaf out of the National Surety plan, the Great Lakes does not assume liability for return premium on the business taken over from the Central West.

(CONTINUED ON LAST PAGE)

## Underwriting Lessons from Depression Cited by Scherr

### ADDRESSES A. & H. MANAGERS

Other Accident Underwriting Suggestions Made by Mrs. Closser, Ridgeley, Ilgenfritz

Four accident and health underwriting lessons drawn from the depression were presented by J. W. Scherr, president Inter-Ocean Casualty, in his address at the annual meeting of the National Association of Accident & Health Managers in Pittsburgh. They are: (1) Exercise greater care in selection of risks; (2) learn to sell the idea of protection and not dollars of indemnity; (3) place greater emphasis on business paid for on the monthly plan; (4) exercise greater care in selection of agents.

On the selection of risks, he emphasized the part the agent should play in this respect. He mentioned some of the undesirable risks taken on during the period when the bars were let down in the matter of selection, such as "key" men, whose influence it was thought would sell more business, and those of the fast living class, who are prominent among the claimants today. He cited some of the improper selling methods followed in 1928 and 1929, which have brought grief to both company and agent. He urged greater emphasis on the income side and less on the death and dismemberment feature, and pointed to the danger of large premium policies, leading from that into his plea for more monthly premium business.

#### Agency Underwriting Needed

Mrs. M. G. Closser, manager National Casualty, Seattle, who spoke at the same session, devoted wholly to the topic of "Profitable Underwriting," also emphasized the necessity for more underwriting by the agent in the field. There was a time when the agent would say: "My business is to sell. The company can accept or reject as it sees fit." Now, however, more of them are coming to take the long-time view. Mrs. Closser pointed out that the only way an agent can build up a permanent, profitable business for himself is by making it profitable for the company as well.

S. S. Ridgeley, Hooper-Holmes Bureau, Baltimore, presented some figures showing the heavy underwriting loss sustained on accident and health insurance in recent years. He emphasized the need for closer inspection of applicants and said too much reliance is placed on the fact that the agent knows the prospect or that the application is for a small amount. He referred to the difficulty experienced after a claim has been made in determining the exact income of a merchant or other not on salary. He said a survey made by one company showed that 20 percent of those covered by it were over-insured.

#### Unacceptable Risks Listed

Although not given at that session, another valuable contribution on the underwriting side was that by W. O. Ilgenfritz, Employers Liability, Philadelphia. Speaking on "Is Your Agency Profitable to Yourself, to Your Company and to Your Agent?" he declared that the real question is whether the

## Bank Burglary Coverage Counter Losses Restricted

### ESTABLISH 15 PERCENT LIMIT

Discourage Practice of Keeping Large Sums Outside of Vaults in Small Banks

NEW YORK, June 21.—The National Bureau of Casualty & Surety Underwriters has announced a restriction of 15 percent of bank burglary coverage to counter losses, effective July 15, in territories three and four. The limitation does not apply to banks equipped with tear gas bombs and other approved protective devices.

The restriction is made to discourage the too common practice of small banks keeping more currency on their counters than is needed. Company executives say that banks that keep most of their funds in vaults controlled by time locks should only keep enough counter currency to take care of anticipated withdrawals for a limited time. The vault should be relocked for an hour or two so in the event of robbery the entire reserves of the bank will not be exposed. In case an unusual amount of currency is on the counter for payrolls and other special occasions, a special guard should be placed at the door.

## Hansen Out as Receiver of International Reinsurance

Carl M. Hansen has resigned as receiver for the International Reinsurance, of which he was formerly the president. The remaining receivers are now George De B. Keim and Arthur G. Logan.

Two suits were brought recently seeking to have Mr. Hansen ousted as receiver on the ground that he was not a disinterested party. One of the suits was brought by the Aetna Casualty and the other by the Pacific Indemnity.

agency is profitable to the company. If not, it cannot be profitable to the manager or his agents. At one time the business of an agency was welcomed if it had sufficient premium volume, because of the investment possibilities, but that is no longer the case. He spoke particularly of selection of risks and listed some of the classes of risks which are not acceptable, stating that it is discouraging to an agent to bring in an application and have it rejected, and uneconomical for the company as well. This condition can be avoided if the agent understands the rules of acceptability.

Among the classes he listed as usually unacceptable are those which have been unprofitable to other companies in the past, unsolicited business, occupations inherently calling for sharp dealing with the public, occupations more or less seasonal, occupations of uncertain employment, college professors, teachers and others who are not accustomed to have their word questioned on any matter and are therefore difficult to deal with in the matter of claims, and those whose business and home are at the same location.

## A. & H. Managers in Annual Meeting

C. G. Schillerstrom Elected President at Convention Held in Pittsburgh

### URGE BASIC PROTECTION

Notable Programs Presented on Agency Management and at Sales Congresses in Evenings

#### NEW OFFICERS ELECTED

President—C. G. Schillerstrom, Washington National, Pittsburgh.  
First vice-president—W. Dwight Mead, Pacific Mutual Life, Seattle.  
Second vice-president—H. A. Cunningham, Aetna Life, Cleveland.  
Third vice-president—W. O. Ilgenfritz, Employers Liability, Philadelphia.

#### By FRANK POST

Emphasis on writing income protection rather than particular policies or policy features was the keynote at the annual meeting of the National Association of Accident & Health Managers in Pittsburgh June 15-16. That point was stressed by speakers from both the company and agency ranks. After some of the earlier speakers had urged the substitution of the term "income protection" for "accident and health insurance," the changed nomenclature was adopted quite generally in other addresses and discussions.

C. G. Schillerstrom, who was elected president, has been first vice-president the past year and general chairman of the Pittsburgh convention committee. E. H. Mueller, Pacific Mutual Life, Milwaukee, retiring president, was elected a director for three years and becomes chairman of the board; J. P. Collins, National Casualty, Detroit, for two years; Fred G. Burgoyne, Bankers Indemnity, Newark; W. E. Leiby, Los Angeles, and Armand Sommer, Continental Casualty, Chicago, for one year.

#### J. E. Powell Named Secretary

President Schillerstrom has appointed James E. Powell, Provident Life & Accident, Chattanooga, secretary of the association. The treasurer, who probably will be a Pittsburgh man, and the regional vice-presidents will be named within the next week or two, so that the new administration may begin functioning in its entirety as soon as possible.

Cleveland extended an invitation for the next meeting and it seemed to be generally accepted that the meeting will be held there, although no formal action was taken at this time.

There was some discussion of the fact that some of the clubs admit agents as well as general agents and managers to membership, and the status of these agents as members of the national association. It was felt desirable to clarify the constitution and by-laws in this respect and a resolution was adopted



at the closing session providing for the appointment by the incoming president of a committee to review the constitution and by-laws and report to the executive committee at least 90 days prior to the next convention. Provision was also made for the appointment of another committee which shall draft a platform setting forth the objectives, aims and code of the national association.

#### Notable Program Presented

A program containing some unusually valuable material on agency management and underwriting problems was presented at the regular convention sessions, while sales congress sessions, under the auspices of the Pittsburgh club, to which all active producers of accident and health insurance in that city were invited, were held both Thursday and Friday evenings. The registration for the convention was between 75 and 80, with about 30 from out of town.

President Mueller in his opening address referred to the endorsement which President Roosevelt had given to trade associations and outlined some of the possibilities in this particular organization. Armand Sommer, secretary-treasurer, declared that to get the public in the proper attitude toward the business, it should be dramatized and the romance in it brought out. While fire insurance is rather prosaic, not to be compared with accident and health in its possibilities for dramatization, he pointed out that the fire companies still talk about their record in the San Francisco fire. When the Titanic sank, with a loss of 1,200 lives, there must have been a large amount paid out under accident insurance policies, but no mention was ever made of that angle of the disaster.

#### Mead Praises Congress Plan

W. D. Mead, Seattle, who has been in the business 27 and in that city 23 years, outlined the possibilities of the organization by a comparison with the National Association of Life Underwriters and said that the growth of the latter association was due more than anything else to the introduction of the sales congress idea, which is now being adopted by the accident and health clubs in many cities.

Mr. Mead's reference to the fact that the Seattle club had reorganized, so as to take in any one who wanted to increase his knowledge of accident and health insurance, really brought up the discussion of the inclusion of agents in local clubs, the sole topic at the open forum which concluded the first session. The question as to the policy of the national association on this matter was first raised by C. W. Elton, Connecticut General Life, Pittsburgh. J. P. Collins, former national president, said it was the plan eventually to have a separate organization for agents and that the managers' clubs frequently have problems up for discussion that the agent could not enter into.

W. M. Ivey, Monarch Life, president of the Pittsburgh club, declared that it is impossible to make salesmen and keep them at arm's length. He also said that by the inclusion of agents it would be possible to organize clubs in the smaller cities, where there are not enough managers to form a separate organization, but that the managers should remain as the backbone of the club. Lon C. Jeffrey and B. F. Davis, Pacific Mutual, also presented the viewpoint of the Pittsburgh club, which admits agents to its membership, while W. O. Ilgenfritz, Philadelphia, upheld Mr. Collins' view.

#### Session on Agency Management

The Friday morning session was devoted entirely to problems of agency management, the session being opened with a general discussion of that subject by J. P. Collins, National Casualty, Detroit. He devoted most of his talk to the question of how to secure agents and get them into production, with a brief reference also to the managers' part in educating the public on the subject of accident and health insurance.

(CONTINUED ON PAGE 27)

## National President of A. & H. Managers Group



C. G. SCHILLERSTROM

C. G. Schillerstrom, Pittsburgh manager Washington National, who was elected president of the National Association of Accident & Health Managers at its annual meeting in his city, has served as first vice-president of the association the past year and was general chairman of the committee in charge of the Pittsburgh convention.

## New Development in Plan for Guaranteed Mortgages

BALTIMORE, June 21.—Further details in connection with the plan for refinancing mortgage companies whose bonds are secured by guarantees of the United States Fidelity & Guaranty and Maryland Casualty were made public this week by a group of bankers headed by Mackubin, Goodrich & Co.; Stein Brothers & Boyce, and Baker, Watts & Co., all local investment bankers.

This group which sponsored the plan states it is progressing satisfactorily, having met with favorable response from the bondholders. In carrying out the refinancing of the mortgage companies whose bonds are guaranteed by the U. S. F. & G., two new mortgage companies have been chartered—Allied Mortgage Companies, Inc., the securities of which will be issued in exchange to holders accepting option No. 1 of the plan, and Associated Mortgage Companies, Inc., which will issue securities in exchange to holders accepting option No. 2. The new mortgage companies will be wholly owned subsidiaries of the U. S. F. & G.

Six of the mortgage companies whose bonds are secured by mortgages guaranteed by Maryland Casualty also will be refinanced by exchange for issues of two new mortgage companies operating under each of the two options. In the case of the nine remaining mortgage companies carrying the Maryland Casualty guarantee, each will form separate new mortgage companies whose bonds will be exchanged for those of the old companies.

The First National Bank of Baltimore has been named depository for the bonds of companies guaranteed by the U. S. F. & G. while the Maryland Trust will act as depository for those carrying the Maryland Casualty guarantee.

## Pushes Casualty Branch

The Nurnberg Adjustment Co. of Milwaukee is rapidly increasing the casualty branch of its business, which was established a year ago.

Donald Nealon is devoting his entire time to the casualty work, as is Attorney F. J. Cassidy, who has had much experience in subrogation cases.

## Stricter Kentucky Ruling Defines Automobile Fleets

### FORMER OPINION HELD VOID

Cars Included Must Either Be Owned  
by Employer or Operated  
for Him

LOUISVILLE, KY., June 21.—Commissioner G. B. Senff of Kentucky has issued new regulations regarding the writing of automobile and truck fleets. W. R. Attkisson, assistant attorney general, has held that the opinion written in 1930 by M. B. Hollifield, then assistant attorney-general, is void and contrary to section 762-a-19 of the Kentucky statute. Mr. Senff defines a fleet as five or more automobiles which are owned and operated by a person, firm or corporation. No privately owned automobiles or trucks can be included at fleet rate other than automobiles or trucks owned by employees which are actually used in the business of the employer and the operation expenses of which are assumed by the employer.

Due to the conflict of the former opinion, policies issued in conformity with it will be permitted to remain in force until their expiration date. No new policies will be issued or old policies rewritten except under the new regulations.

#### Discusses Interpretation

In his interpretation of a fleet, Mr. Attkisson held that: "The meaning is plain, open and manifest and should require no strained or twisted interpretation. It simply means that insurance cannot be sold to any person, firm or corporation at a less rate than is charged to other persons, firms or corporations similarly situated."

In 1930 approval was given to the issuance of a fleet policy to the Teachers Association of Jefferson County to cover its members. Mr. Attkisson said it is clear that such an organization does not own or operate in its business the motor vehicle trucks of the assured and its members are not entitled to any rebate, dividend or special advantage in insurance premiums. "It is axiomatic," said Mr. Attkisson, "that the law does not permit that to be done indirectly which is not permitted to be done directly."

The new fleet ruling is creating much discussion in Kentucky casualty and local agency circles as it appears the law will not permit any distorted interpretations.

## Pass Financial Responsibility Act

LANSING, MICH., June 21.—The Michigan legislature at the session just closed enacted the state's first motorists' financial responsibility law. It follows the "model bill" almost exactly except for the amount of unfulfilled judgment requisite to suspension of license and requirement of insurance or evidence of financial responsibility for reinstatement. This is increased from the \$100 in the model bill to \$300 in the Michigan law.

The bill to permit casualty companies to write automobile fire and theft was killed shortly before adjournment. Companies may now organize to write all automobile lines but may not do a general casualty business if they incorporate under that section of the law.

## Joy at Kalamazoo

Thomas K. Joy, adjuster for casualty companies, is establishing an office in Kalamazoo, Mich. Mr. Joy has been on the Pacific Coast, located at Fresno, Cal., as branch manager for Rapp & Co., and as an independent adjuster. Mr. Joy is familiar with the Michigan territory, as he was with the Standard Accident there for 15 years, later being with the Union Indemnity and General Accident.

## Necessity for Adequate Rates Is Demonstrated

NEW YORK, June 21.—Although sympathetic with the local agents who have suffered direct and indirect loss through the failure of the Union Indemnity, Independence Indemnity, Public Indemnity and other casualty and surety companies, company officials point out that in every instance the defaulting concerns were either rate-cutters or high-commission payers, usually both.

Competition in every field of underwriting, and in none more than in that of casualty and surety, is so keen that no well conducted company will demand for its indemnity beyond a reasonable price, and the general record of the business for years past has been one of an underwriting loss attesting that the public has not been overcharged. As insurance rates are based upon the law of average, obviously the broader the spread of liability the more dependable will be the loss and expense experience revealed. Recognition of this fundamental truth was responsible for the organization of the National Council on Compensation Insurance, the National Bureau of Casualty & Surety Underwriters, the Towner Rating Bureau and other bodies for the tabulation of the operating results of the member companies. Membership in the National Council is obligatory under the laws of certain states which recognize the soundness of predicated tariffs upon combined, rather than upon individual experience.

## Three Companies Reported on Big Long Beach Oil Loss

Latest estimates of insurance loss resulting from the recent explosion and fire in an absorption plant of the Richfield Oil Company near Long Beach, Cal., and other independent properties and rigs, place the amount at approximately \$500,000, although it is admitted the loss may be considerably less. The Zurich is on the general liability risk, and it is reported so are the Pacific Indemnity and Employers Reinsurance. Fire loss in immediate vicinity of the explosion is estimated at approximately \$300,000. According to report of a coroner's jury at Long Beach, the explosion was due to an overfilled tank of casinghead gasoline breaking and releasing its contents, which ignited.

## Morris on the Coast

SAN FRANCISCO, June 21.—F. G. Morris, president of the Standard Surety & Casualty of New York, is on the Pacific Coast, visiting the branch offices and getting a closeup of general business as well as underwriting conditions. He has been away from headquarters for some three weeks and it will probably be another two weeks before he reaches home. Mr. Morris impresses the fraternity here as being an unusually well balanced executive and one who has fully profited by his long and intensive training in the casualty and surety fields. Prior to becoming president of the Standard Surety & Casualty on its formation in 1928, he was one of the executives of the Ocean Accident & Guarantee.

## Advocates Obsolescence Cover

J. C. Knapp, vice-president of the Otis Elevator Company, in the "Executives Service Bulletin" of the Metropolitan Life advocates the writing of obsolescence insurance as a possible new feature of real estate practice. He cites the recent writing of a \$200,000 obsolescence policy on a Chicago printing plant. He says that while such insurance is a novelty in the United States, it has been written in France and Germany for some time.



## Mead Points Out Potential Field for Automobile Cover

SPEAKS TO PENNSYLVANIANS

National Bureau Manager Tells Why Merit Rating Was Withdrawn—Impractical in Application

The size of the potential field for automobile insurance was stressed by R. C. Mead, assistant manager automobile department National Bureau of Casualty & Surety Underwriters, in his address at the Pennsylvania Insurance Days meeting at Atlantic City.

In spite of the 1932 premium volume of \$198,209,832 for New York admitted companies, the latest figures available indicate that only about one out of every four automobiles on the road is insured for public liability or property damage.

"The owner of only every fourth automobile that passes you on the highways of the country realizes that without such insurance he would be exposing his property and the savings of his life to as great a hazard and perhaps even greater, than if he were to go without fire insurance," Mr. Mead declared.

In discussing the reasons for withdrawing the merit rating, Mr. Mead said:

"In 1932, when two years of experience under the plan was available, it was withdrawn. The experience demonstrated that the plan, beautiful in theory and lofty in purpose, was impractical in application. The trouble arises from the fact that a claim for personal injuries arising out of the operation of a car is expected only once every 20 years and a property damage claim only once every 12 years. Consequently, an assured who had gone two years without accident had not demonstrated that he was a better than average risk entitled to a discount. As a result, the 10 percent credit was being given to such a very large percentage of the automobile owners that in order to offset its effect, it would be either necessary to charge prohibitive rates to the few who were unfortunate enough to have the misfortune insured against, or to load the rates by practically 10 percent in order to permit the discount. The first is obviously impossible and the second makes the reward given under the plan an 'Indian gift.'"

### To Change Domicile

The American Reinsurance, which is incorporated in Pennsylvania, but has its executive offices in New York, is preparing to change the state of its incorporation to New York. In order to make this change, the American Reinsurance is being consolidated with the newly incorporated New York Reinsurance. The report is that when the New York Reinsurance has been formed and the American Reinsurance is consolidated with it, the company will reassume its present title of American Reinsurance.

The American Reinsurance was organized by Ream-Wrightson & Co., Robert C. Ream being president. Vice-President F. X. Malley is a leading factor in its management.

### Report on the Madison

The Indiana department has released its report of the Madison of Jeffersonville, Ind., as of Dec. 31, showing assets \$403,833, capital \$200,000, surplus \$180,500. This company was reorganized in May, 1932, with capital \$200,000 and contributed surplus \$200,970. It writes automobile insurance, confining itself largely to liability and property damage.

### Belt Casualty Examination

The Illinois department has released its report on the Belt Casualty of Chicago as of Dec. 31 showing assets \$463,539, premium reserve \$139,253, capital \$200,000, net surplus \$28,789.

## Shows Profit from Accident Line as Compared with Life

At the sales congress held in connection with the annual meeting of the National Association of Accident & Health Managers in Pittsburgh, E. H. Mueller, Milwaukee, president of that association, presented some interesting figures as to the profit in accident and health insurance for the agent, particularly as compared with life insurance. He declared that if a man will work as hard as he does in the production of life insurance, he can make twice as much in selling accident and health. The figures which he displayed on a blackboard showed that if a man will produce \$5,200 in accident and health premiums a year, or \$100 per week, his first year commission will be \$1,300. Allowing for 15 percent lapses, his renewals will bring his income the second year to \$2,425, the fifth year \$5,275, the tenth, \$8,500 and 15th, \$10,000. If an agent writes \$100,000 of life insurance, which requires about the same effort, he will receive \$1,500 in commissions the first year, but at the end of the fifth year, due to the smaller renewals, his income will be only \$2,100.

### By-Products Valuable

He also emphasized the "by-products" in the way of other classes of insurance which can be written as the result of payment of accident and health claims and said that if an agent will major in accident and health, his other insurance business will take care of itself. In the payment of a claim under a life insurance policy, after a man is dead, there is not so much boosting for the agent as in the case of an accident or illness claim. He cited several special cases where big business had been developed from the payment of a single claim.

W. D. Mead, Pacific Mutual, Seattle, speaking at that session on "Should This Business Attract Young Men and Why?" outlined some of the possibilities of accident and health insurance as a career, stressing the capital value of renewals, as had Mr. Mueller, as "the sweetest income today in America."

In emphasizing the possibilities of the accident and health insurance field, he called attention to the fact that accident and health premiums in the United States in 1932 were less than 1/2 of 1 percent of the national income, or if

the disability premiums collected by life companies were included, less than 3/4 of 1 percent, as against 8 percent paid for life insurance last year.

### Factors in Self-Promotion

C. G. Schillerstrom, Washington National, Pittsburgh, speaking on "Self-Promotion," said that the three chief factors in putting a man forward to success are (1) the inner urge "that compels you to keep on regardless of what you are up against," (2) knowledge of the business, quoting the biblical injunction: "Study to show yourself a workman that need not be ashamed," and (3) act naturally—"don't put on a stiff shirt attitude."

At the open forum which concluded this session, Armand Sommer, Continental Casualty, Chicago; G. H. Knight, Federal Life & Casualty, Cleveland; W. M. Ivey, Monarch Life, Pittsburgh, and S. S. Ridgeley, Hooper-Holmes Bureau, Baltimore, were called upon for specific sales ideas and all gave good suggestions along that line.

H. A. Cunningham, Aetna Life, Cleveland, spoke at the congress session Friday evening on "Knowledge Plus Enthusiasm," classing those two factors as essential to the salesman's success, and showing how they may be developed and applied.

### Sales Methods Compared

James E. Powell, Provident Life & Accident, whose assigned subject was "Sales Ideas That Click," compared the selling methods of several successful producers that had come under his observation, showing that there is no formula that will prove successful in every case. Every salesman has to develop his own sales plan according to his own personality, type and class of business solicited and other factors, but should adapt whatever points he can from any plan that comes to his attention.

John T. Wagner, National Casualty, Detroit, closed with a description of the plans under which group accident and health insurance is written, classes which do not come under the standard rates and other factors in writing that class of business.

## Study Bond Possibility in the National Recovery Act

NEW YORK, June 21.—Whether surety companies will derive any premium income as a result of the \$3,300,000,000 appropriated by the government under the National Industrial Recovery Act, will depend upon the method by which the money will be expended. If, as in the case of reforestation work, employment be upon a per diem basis, there will be no call for bonds. On the other hand, if any considerable portion of the proposed projects be awarded by contract, bonds certainly will be required. The aim is to inaugurate projects at the rate of 20 a day for 10 days; these to be either direct federal undertakings or undertakings under the auspices of governmental subdivisions with federal aid. Col. G. R. Spalding, U. S. A., has been selected to administer the public work section of the act.

### Summary Prepared

The Association of Casualty & Surety Executives has prepared a summary of the section in the act relating to construction work. That surety bonds will be required of those granted contracts by the administrative authorities is clearly attested through the provision of the law giving the president authority

## Chicago Situation Discussed by Acquisition Cost Groups

NEW YORK, June 21.—The situations in Chicago and elsewhere in Illinois again were discussed at gatherings of the casualty and fidelity and surety acquisition cost conferences here yesterday. Whether to leave their further handling with the standing committee on Chicago, or name a new committee was not definitely decided. Nor was it agreed to have the committee, when named, visit Chicago or request branch managers and general agents of that city to come to New York.

### Lightner With Zurich

D. B. Lightner, liability underwriter in the home office of the Continental Casualty, has resigned to join the workmen's compensation and liability underwriting staff of the Zurich in the Chicago head office. Mr. Lightner had been connected with the Continental for eight years, and before that was in the home office of another company.

to sanction assignments by contractors to either national or state banks of their claim against the United States, providing "the written consent of sureties" thereto be secured.

## New Depository Bond Plan Needed Because of U. S. Act

CHANGES IN RATES INDICATED

Protection of Private Sureties Will Be in Nature of Excess Coverage Over Federal Guaranty

Surety officials are interested in the deposit insurance feature of the Glass-Steagall banking act because the provisions of this measure will undoubtedly necessitate a change in the writing of depository bonds by surety companies.

So long as the government deposit insurance plan is in effect, depository bonds of surety companies would be in the nature of excess coverage.

On Jan. 1, 1934, unless ordered before that time, the new deposit insurance plan will go into effect, guaranteeing deposits up to \$10,000, 100 percent; from \$10,000 to \$50,000, 75 percent, and above \$50,000, 50 percent.

Therefore government subdivisions and private depositors that desire 100 percent protection for their funds would be compelled to go to surety companies for the proportion of deposits that are not guaranteed by the federal corporation.

New rates will have to be worked out for such coverage. A number of considerations occur to surety men in studying this situation. For instance, there is the question of salvage, whether the government corporation would demand all recoveries until it had been reimbursed in full or whether the private surety corporations would participate proportionately in the salvage. The surety companies are not greatly concerned over the question, as yet. Their interest is pretty largely academic, because the depository bond business is still at its lowest ebb and in many states deposit guarantee liability has been removed by statute from public official bonds. However, even when the federal plan goes into effect, the sureties anticipate they will be called upon by friends for depository coverage and a new method of writing it must be devised.

## Heads New Company



ARMSTRONG CRAWFORD

Armstrong Crawford, who is executive vice-president of the Central West Casualty of Detroit, is president of the newly organized Great Lakes Casualty of that city, which has been formed to carry on the business of the Central West. Mr. Crawford was connected with the Central West Casualty for many years, having been head of its Chicago branch office until about a year ago when he was taken into the home office at Detroit.



## ACCIDENT AND HEALTH FIELD

### Redfield-McGurk Appointed

Chicago Managers Get in Addition State of Indiana for Two Omaha Companies

Redfield-McGurk, managers for the Mutual Benefit Health & Accident and the United Benefit Life of Omaha in Chicago territory, have taken over the state of Indiana for both companies in addition to their present territory. J. S. McGurk is preparing to move to Indianapolis where the Indiana headquarters office is located in room 732-4 Circle Tower building.

#### McKim in Chicago

Redfield-McGurk have been Chicago managers for two years. C. T. Redfield has been connected with the Mutual Benefit and United Benefit ten years. The agency has had a very large growth in its two years, due to progressive methods.

E. D. McKim, agency director of the

Mutual Benefit, was in Chicago and Indianapolis supervising the change.

### Mutual Benefit H. & A. Gets Newspaper Cover Contract

The Mutual Benefit Health & Accident of Omaha has closed a contract with the St. Louis "Post Dispatch" to issue a travel accident policy, superseding another company which has been on the risk for some time. The contract becomes effective in July when some 28,000 policies will be reinsured. The coverage to be given will be \$10,000 principal sum and specific benefits grading down from \$10,000.

#### Specializes on Limited Pay

Oury Druyan, head of the Druyan Underwriters of Chicago, has been successfully operating an underwriting agency in Chicago for five years in limited pay policies. Recently he made a connection with the Great Northern Life of that city to handle a special limited

pay policy in 22 states. His business has been successful and he has established a reputation among accident and health agents throughout the middle west for his fairness in dealing with agents and claimants. Mr. Druyan believes that in these days of limited pay policies it is well to present limited pay policies because it is better for an individual to get a small, low priced disability policy than none at all.

#### New Policy Popular

The Columbian Mutual Life's new "perfect protection" accident policy is meeting with great popularity and has produced much new business, according to President L. T. Binford.

#### Accident and Health Notes

The First National Casualty of Cleveland has changed its name to the Cleveland Mutual Casualty. A. W. Hardesty is president and R. W. Hardesty, secretary.

In reporting the appointment of F. W. Usher as general agent in metropolitan New York and northern New Jersey for the Massachusetts Indemnity, Mr. Usher's name was erroneously given as "Asher."

H. V. Godbold, Jr., is entering the Richmond local agency firm of H. V. Godbold Co., headed by his father, and will become vice-president. He has been with a Richmond stock brokerage office for some months.

## Casualty Company Activities

### Casualty of New Jersey Is in Process of Organization

NEWARK, June 21.—The Casualty Company of New Jersey, which was organized about a year ago, is still in state of organization, according to those behind the new project. Temporary offices are now located in the old quarters of the New Jersey Fidelity & Plate Glass of Newark, the receivers for the latter organization having removed to 31 Clinton street, Newark.

At the time that the Casualty Company of New Jersey was organized, it was stated that the capital would be \$200,000 and a similar surplus. The incorporators are men who have had years experience in the casualty field and include the following officers: President, W. D. Ward, who was with the New Jersey Fidelity & Plate Glass for 32 years; H. F. Hayes, vice-president and secretary, with the old company for 26 years; W. H. Saul, treasurer, 27 years with the New Jersey and R. A. Fraser, assistant secretary, with the company 22 years. Other incorporators who have been in the insurance field for a number of years, include E. C. Faith, J. G. Bertsch, E. C. Mueller and W. D. Ward, Jr., all of whom have seen long service with the old New Jersey Fidelity.

The company plans to write all forms of liability, plate glass and burglary, but will not enter the fidelity and surety field. It will in all probability, start to write business in the early fall.

### Trans-Continental Is Not Affiliated with Franklin

PHOENIX, ARIZ., June 21.—The Trans-Continental Surety & Indemnity, recently organized and licensed here, is not affiliated in any way, directly or indirectly with the defunct Benjamin Franklin Bond & Indemnity of Arizona which was taken over by Commissioner Mitchell of California. This denial of any connection with the old company is made by R. E. Clapp, president of the new organization who also refutes intimations that the Trans-Continental intends to reinsure the business of the Benjamin Franklin in California or assume any affairs of that corporation. Mr. Clapp attributes gossip of connection with the Benjamin Franklin because his new company is occupying the premises it formerly occupied in Los Angeles.

The Trans-Continental has not applied for a California license, although it is maintaining temporary quarters in Los Angeles.

The Trans-Continental has an authorized capital of \$1,000,000; of this \$225,000 is paid up and Mr. Clapp reports surplus of \$230,828. Other officers and directors, are: N. S. Hogan, vice-president; G. D. Marcy, director and resident vice-president in Arizona; Col. E. A. Higginson, secretary-treasurer, H. Gilmour and C. H. Allen.

#### Company in New Home

The Medical Protective of Ft. Wayne, Ind., which has had its executive offices in Chicago for about seven years, is now located in its own new building at Wheaton, Ill.

#### Angelus Indemnity to Start

A permit to sell stock has been issued to the Angelus Indemnity of Los Angeles, which is to have \$300,000 capital. It will write fidelity and surety, plate glass, liability, automobile and burglary lines. M. G. Phillips, Los Angeles, is president; C. W. Glanz, Edwin S. Douglas and Louis Glasband, vice-presidents, and C. Gerard Hanson, chairman of the board.

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## A. & H. Managers in Annual Meeting

(CONTINUED FROM PAGE 24)

In the general discussion the advantages of a standardized sales talk were emphasized by Mr. Sommer, Mr. Mueller and Mr. Collins, and at the suggestion of Mr. Schillerstrom, all those in attendance who use prepared sales talks were requested to send them in to the secretary, who will pass them on to the various local clubs.

G. H. Knight, Cleveland, emphasized the need for conservation work, urging more emphasis on it just now than on production of new business. He suggested that if the agent would spend 60 percent of his time on renewals and 40 percent on new business it would be better for all concerned.

C. B. Horton, Standard Life, Pittsburgh, suggested that emphasis be laid on the number of people insured, rather than premium volume, with the idea that each one of these people has a brother, relative, or friend who would also be a prospect.

I. L. Close, Provident Life & Accident, Pittsburgh, told of the plans he follows in inducing new men into his agency organization and getting them into production. H. A. Cunningham, Cleveland, spoke of the attitude of the life underwriters associations, and particularly the managers and general agents in the life field, in insisting that their men give their entire time to life insurance, to the exclusion of accident and health, and suggested that there is a field for educational work there.

### Elton in Practical Talk

C. W. Elton, Connecticut General, Pittsburgh, gave an especially valuable and practical talk on the work of the manager in dealing with agents, stating that the one thing he looks for in employing a new agent is whether he has an inherent desire to make money and go far in the business. He gave his ideas in regard to plans for "sustained training," after the preliminary period, including the use of agency meetings, bulletins and contests.

At the luncheon Friday, with Mrs. M. G. Closser of Seattle presiding, reports were given from the various local clubs and prospective clubs as follows: Seattle, W. D. Mead; Cleveland, H. A. Cunningham; Philadelphia, W. O. Ilgenfritz; Toledo, Homer J. Bisch, National Casualty; Detroit, J. P. Collins; Chicago, Armand Sommer; Milwaukee, E. H. Mueller; Akron, O., C. H. Allenbaugh; Columbus, O., C. A. Sholl, Monarch Life.

The Friday afternoon session was devoted wholly to the topic of "Profitable Underwriting," with J. W. Scherr, president Inter-Ocean Casualty, talking on "Depression Underwriting Lessons;" S. S. Ridgeley, Hooper-Holmes Bureau, Baltimore, on "Inspection Influence," and Mrs. M. G. Closser, National Casualty, Seattle, on "Underwriting Responsibility of Local Agency."

Most of the delegates stayed over for the week-end trip to the Summit Hotel at Uniontown, Pa., where they could play golf on a mountain-top course if desired, or enjoy a couple of days of relaxation.

way the kindly genial and benevolent spirit which one always felt in his presence. Those who knew and admired Mr. Brackett will get a real thrill from a study of this portrait. Mr. Brackett until his death was president of the Hoosier Casualty.

C. H. F. Quinn, who after four years' connection with the compensation and liability department of the National Bureau of Casualty & Surety Underwriters, retired to join the New York City branch of the Ocean Accident & Guarantee, as one of its underwriters, was joined by his former associates. In addition he was presented with a handsome watch.

August A. Jekel, secretary-treasurer Reliable Life & Accident, St. Louis, is back at work after recovering from an operation, which kept him away from the office for about a month.

In assuming the executive vice-presidency of the Indemnity of North America, J. A. Diemand is returning to his home city and where he started his business career. His connection with underwriting began as a boy with the Philadelphia Casualty of which company Dr.

R. S. Keelor was secretary and general manager. Divisional heads of the institution often complained to Dr. Keelor of the persistency of John Diemand in wanting to know the why and wherefore of each particular task assigned him, not being content merely to do it. This trait appealed to Secretary Keelor who directed that whenever the staff men were too busy or disinclined to answer John's appeals for information, the youngster be referred to him. Diemand steadily added to his fund of insurance as well as general business information, the result being that he is today regarded as one of the best posted men in the casualty line.



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Visitors to the office of C. W. Ray, at Indianapolis, president of the Hoosier Casualty and new president of the Health & Accident Underwriters' Conference, will find hanging upon the wall there a lifelike portrait of C. H. Brackett, for so many years the treasurer of the conference. The painting was made from a picture of Mr. Brackett supplemented with suggestions from Hoosier Casualty officials and Mr. Brackett's relatives. It depicts in an admirable



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### Central West People Form the Great Lakes Casualty

(CONTINUED FROM PAGE 23)

The stock of the Great Lakes Casualty is owned by the Central West Casualty and is held by the insurance commissioner as custodian for the Central West. This applies to all the stock except the qualifying shares. As soon as possible a formal assumption of liability rider executed by the Great Lakes Casualty, assuming liability for losses as above outlined, will be forwarded to policyholders to be attached to policies. The rider will be sent out in duplicate, one copy to be signed and returned to the Great Lakes Casualty in order to complete the transaction.

The new company plans to enter Michigan, Ohio, Indiana, Illinois, Kentucky, Iowa, Wisconsin, Minnesota and Nebraska. Much of the personnel of the Central West continues with the new company.

The Great Lakes Casualty has not yet been authorized by Commissioner Gauss although Circuit Judge Brennan of Wayne county has formally passed on it.

#### Precipitated by Bank Holiday

The Central West's difficulties were precipitated by the bank holiday. The company had written bonds covering large state deposits in the two big national banks of Detroit. The banks failed to reopen after the moratorium and have since been placed in receivership. The state senate took cognizance of the situation in demanding the insurance commissioner investigate the Central West. The custodianship followed when it was found that, on the basis of existing securities valuations, there was an impairment exclusive of the undetermined depository bond liability. This impairment has now been wiped out by the advance in securities prices. J. E. Reault, chief department examiner and actuary, believes. There has been no attempt as yet, however, to determine the depository liability. Because of the extra-legal procedure in connection with the bank holiday and the peculiar method by which the apparent liability was imposed, there is some uncertainty as to whether the surety can be held liable. It is not known, either, exactly how much state cash was on deposit in the two banks when their doors were shut.

Albert E. Meder will be the general counsel of the Great Lakes Casualty. He was general counsel for the Central West Casualty for ten years.

#### State Officials to Organize

TRENTON, June 21.—H. G. Hoffman, motor vehicle commissioner of New Jersey, who is secretary of the Eastern Conference of Motor Vehicle Administrators, announces that at its meeting in Detroit June 27-29, an attempt will be made to form a National Association of State Motor Vehicle Commissioners. One subject to be discussed will be "financial responsibility uniformity," a subject of much interest to insurance carriers. Invitations have been extended to all state motor vehicle officials and a number of prominent insurance officials.

#### C. C. Cannon Is Advanced

C. C. Cannon has been appointed Virginia state manager by the Liberty Mutual and is being transferred from Roanoke to Richmond. B. H. Menke, who has been in charge of the Richmond office, is being transferred to North Carolina, where a new branch is being opened.

#### Named by Employers

R. Douglas Hall has been appointed general agent for the Employers Liability at Nashville, Tenn. He has been in the insurance business in Nashville about eight years. His offices are in the Stahlman building.

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